

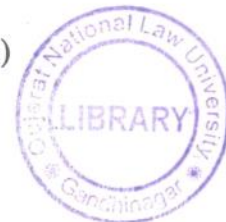
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**GUJARAT NATIONAL LAW UNIVERSITY
GANDHINAGAR**

Course: Law of Contracts-I (General Principles & Specific Reliefs)
Semester-II (Batch: 2015-20)

Mid Semester Test: Feb-Mar. 2016

Date: 3rd March, 2016

Duration: 2 hours

Max. Marks: 30

Instructions:

- Read the questions properly and write the answers in the given answer book.
- The respective marks for each question are indicated in-line.
- Do not write anything on the question paper.
- Indicate correct question numbers in front of the answers.
- No questions or clarifications can be sought during the exam period, answer as it is, giving reason, if any.

All questions are compulsory. Each question carries 2 marks. Each question may have one or more correct selection. For selections made for any question, please assert the reason, relevant provision(s) from India Contract Act, 1872 and most relevant decided cases. Mere correct selection without asserting correct reason, case law(s) and provision(s) of the Indian Contract Act 1872 will entitle no marks. Answer for each question must not exceed 60 words.

Marks
(15x2
=30)

Q.1 A person entering into an agreement with a minor for the supply of necessities to such minor is:

- a. Void *ab initio*
- b. A valid agreement
- c. Is enforceable by law
- d. All agreements with a minor is void *ab initio*

Q.2 Among following statements mentioned below, which one is incorrect:

- a. An agreement enforceable by law is contract.
- b. Acceptance of an offer must be absolute and unqualified.
- c. A counter offer puts an end to the original offer.
- d. There is no difference in law between offer and invitation to treat

Q.3 Among the following situations, which one we can presume 'no acceptance' made:

- a. A person bringing the lost nephew of Mr. X, after reading a flier, which made a general offer to reward the finder.
- b. A person buying a flight ticket online buy clicking on 'I accept' hyperlink.
- c. A person not responding to the letter of another person stating, 'If I hear no more about the horse, I consider your horse mine for \$ 40'
- d. A person stepping in a tram and taking a ride on the streets of Paris

Q.4 The adequacy of the consideration in an agreement establishing an enforceable contract is assessed by:

- a. What a 'Reasonable person' will presume adequate.
- b. What the parties to the agreement presume adequate
- c. What is adequate before the law
- d. The reciprocal value of consideration for either parties



- c. Sebastian took advantage of Smith's health condition and made unequal bargain.
- d. The agreement is void.

Q.10 Where the consent of the party to an agreement is obtained by coercion the agreement becomes:

- a. Void
- b. Voidable at the option of the party whose consent has been taken by means of coercion.
- c. Void *ab initio*
- d. Unlawful

Q.11 Terry agrees to marry Tyler's daughter Tiffany in return of receiving Tyler's family house. Tiffany suffers from severe epileptic fits. Tyler hides this fact from Terry. After the marriage Terry discovers about Tiffany's health condition and seeks nullity of marriage. Decide the fate of the situation:

- a. Tyler suppressed a vital fact and therefore made a misrepresentation.
- b. Terry's engagement to Tiffany is voidable at the option of Terry.
- c. Terry is bound by the agreement and must live with Tiffany.
- d. It is Terry's moral duty to live with Tiffany.

Q.12 Among the following situations, which one could be presumed as an agreement made under mistake:

- a. A person threatening to commit suicide for receiving family house under an agreement
- b. A person selling a horse of unsound mind to another person without disclosing the fact about the horse.
- c. Mr. X agreeing to sell SEA GRASS, a yacht, and Mr Y agreeing to buy from Mr. X, SEA GRASS, a small lake owned by Mr. X.
- d. A person falsifying his identity to buy an exotic wine available only for 'Oscar Winners Club' members.

Q.13 Nina agrees to sell her house, worth \$20,000, to Kristine for \$5000. Nina's consent was freely given. Decide the validity of the agreement:

- a. The agreement is valid and enforceable by law.
- b. The consideration is inadequate and thus the agreement is void.
- c. It seems like Kristine had undue influence over Nina therefore the agreement is voidable at the option of Nina.
- d. The agreement is void *ab initio*

Q.14 Alex sends a letter to Carina asking, "Will you sell your tea estate? Please quote the lowest price." Carina responds by writing "Lowest price for the tea estate is Euro. 10,000". Alex immediately writes her, "I agree to buy tea estate for Euro 10,000" Subsequently Carina refuses to sell the tea estate. Decide the fate of the situation:

- a. Carina is bound by the agreement and she must sell the tea estate to Alex.
- b. There is no agreement because Carina's response was no offer.
- c. Alex can sue Carina for breach of contract.
- d. Carina's quotation of lowest price was mere invitation to an offer and no final offer.

Q.15 Samantha proposes to sell her property to Lucy by sending a letter by post. To this Lucy responds by a letter to Samantha accepting her proposal. Subsequently Lucy,