

Paper-2- Contract Law & Negotiable Instruments Act

24.06.2025

PART - A

Answer any 5 of the following:

(5 x 5 = 25)

1. What are the differences between 'agreement' and 'contract'? Can a contract survive without an agreement? Give reasons for your answer and cite statutory provisions and cases.
2. What is a standard form contract? What are the essentials of it? Explain.
3. Mr. Devesh, an accused, is required under the Bharatiya Nagarik Suraksha Sanhita (BNSS) to furnish a surety in the sum of ₹ 50,000 for his good behaviour. Mr. Devesh deposited the sum with Mr. Ramesh and persuaded him to become surety. After the period of suretyship is over, Mr. Devesh sues Mr. Ramesh for the amount he was given to deposit as surety, i.e., Rs. 50,000. Can Mr. Devesh enforce the agreement against Mr. Ramesh? Decide the case with relevant laws and cases.
4. When can a condition be treated as a warranty? Explain the difference between 'condition' and warranty'.
5. A seasonal crop was put to public auction for sale by the Bikaner Agro Commercial Committee (BACC), A Rajasthan Government enterprises, with a reserve price of ₹10,00,000. Sunrise Agro Ltd. bid was the highest, but it was only ₹8,00,000, much below the reserve price. The BACC provisionally accepted the bid, but subject to confirmation from the Divisional Agricultural Officer (DAO). The DAO confirmed the bid, but it was not communicated to the BACC. Later the DAO accepted an offer of ₹10,00,000 from Safal Agro Group (SAG). The BACC file a case for specific performance of the contract. Decide the case.
6. What is a partnership? Can a partner retire from the partnership? Discuss.

PART - B

Answer any 3 of the following:

(3 x 15 = 45)

7. Kariloo and Ragha were real brothers. Ragha had a son, Chintu who was the last male owner of the family land. He, however, died on June 21, 2022, leaving defendant Smt. Durgi as his natural heir. Smt. Durgi set up her claim as the sole

heir of Chintu. On the other hand, Mr. Shivansh, the plaintiff, claimed that he was entitled to the estate of Chintu based on a will alleged by him to have been executed by Chintu in his favour. The plaintiffs grandfather, Kariloo and Chintu's father Ragha, were real brothers and, as such, the plaintiff and the defendant stood in a sense in the relationship of cousin brother and sister. The elders of the village intervened, and a settlement was arrived at between the parties under which the plaintiff was entitled to a one-third share and the defendant to the remaining two-thirds share in the land in dispute. The terms of the settlement were reduced into writing, and the document was registered.

The plaintiff alleges that subsequently the defendant refused to accept the plaintiff's right to a one-third share in the estate, and mutation in respect of the entire land was sanctioned in favour of the defendant. Consequently, the plaintiff filed a suit out of which the present Letters Patent Appeal arises. The defendant resisted the suit but admitted the relationship between the plaintiff and Chintu. The defendant, however, denied that any will had been executed by Chintu in favour of the plaintiff. The defendant further admitted the settlement between the parties but asserted that the plaintiff had approached the Sarpanch and a Panch for a share in the land with the assurance that he would treat the defendant as his sister and her sons as his nephews for all time and upon that the Sarpanch and Panch compelled the defendant to agree to surrender one-third share in the land in dispute to the plaintiff. The defendant alleged that the agreement to which she was compelled to be made a party was brought about by undue influence and fraud. It was also alleged that the plaintiff had admitted that Chintu had executed no will in his favour. The only contention that has been raised on behalf of the defendant is that the so-called settlement arrived at between the parties is void as the same was without consideration. Decide the validity of settlement in the light of Indian Contract Act, 1872.

8. **Section 175(3) in Government of India Act, 1935-** Subject to the provisions of this Act with respect to the Federal Railway Authority, all contracts made in the exercise of the executive authority of the Federation or of a Province shall be expressed to be made by the Governor-General, or by the Governor of the Province, as the case may be, and all such contracts and all assurances of property made in the exercise of that authority shall be executed on behalf of the Governor-

General or Governor by such persons and in such manner as he may direct or authorise.

The plaintiff, Mr. X, on the request of an officer of the state of West Bengal constructed a kacha road, guard room, office, kitchen, room for clerks and storage sheds for the use of Civil Supplies Department of the Government. The state accepted the work but tried to escape liability under the pretence that no contract had been concluded in accordance with the requirement of Section 175(3) of the Government of India Act, 1935. Can Mr. X claim the amount under the Indian Contract Act? Explain with statutory provisions and case laws.

9. Discuss the role of consideration in the contract of agency. What is the role of the Managing Director of a company- is he an employee or an agent? Discuss the agencies of necessity.
10. Discuss the types of Negotiable instruments and their importance. Who is holder in due course? Explain.

PART - C

Answer any 1 of the following:

(1 x 30 = 30)

11. Discuss the concept of free consent under the law of contract.
12. Write about the salient features of the Specific Relief Act 1963. Discuss the contracts specifically enforceable and the contract not specifically enforceable under the Act.