

**GUJARAT NATIONAL LAW UNIVERSITY
SILVASSA CAMPUS**

**Course: Law of Contracts (General Principles and Specific Relief)
Semester- I (Batch: 2023-28)**

End Semester Examination: Jan-April 2024

Date: 20th April, 2024

Duration: 3 hours

Max. Marks: 50

Instructions:

- Read the questions properly and write the answers in the given answer book.
- Do not write anything on the question paper.
- The respective marks for each question are indicated in-line.
- Indicate correct question numbers in front of the answer.
- No questions or clarification can be sought during the exam period, answer as it is, giving reason, if any.
- Word Limit: 10 Marks: (2 Marks: 150-200 words),(3 Marks: 250-300 words),(4 Marks:350-400 words),(5-10 Marks:650-800 words)

PART A

Answer any four of the following questions

- | | | Marks |
|-----|---|--------------|
| Q.1 | <p>Raja who runs his business from Delhi held an e-auction for Sugarcane in different lots, Rani submitted its tender or bid in the said auction and Rani's bid was accepted for 40 tons of Sugarcane at the price of Rs. 1,625/- per metric ton. Rani's bid was accepted by Raja. The acceptance letter was issued on 19th July 2005 by email-to-email address of the plaintiff. Rani runs her business from Bihar. Her main office was registered in Patna and her second office is in Darbhanga. Acting upon acceptance, Rani deposited a sum of Rs. 81.12 Lakhs towards the cheque drawn in favor of Raja in terms of the 'Terms of Allocation'. The cheque was accepted and encashed. Later Raja Refused to deliver the Sugarcane and sent a Communication to Rani stating that its bid had been wrongfully accepted "due to some technical and unavoidable reasons". The reason was that there was some other person whose bid was comparatively higher than the Rani bid due to some flaw in the software, the higher bid had not been considered earlier. Rani sued Raja for breach of Contract in Patna High Court. Raja challenged the case stating that the Patna High Court doesn't have a Jurisdiction. Decide</p> <p>Please illustrate your answer with relevant case laws.</p> | 2+4+4 |
| Q.2 | <p>Raju owned and operated a mill. Once when the mill's part broke, Raju entered into a contract with Vansh to deliver the part to an engineering company on an agreed-upon date. Raju failed to inform Vijay that the mill was inoperable until the replacement shaft arrived. Vijay failed to deliver the shaft to the engineering company on the agreed-upon date, and as a result, Raju's mill remained inoperable resulting in extended lost profits.</p> <p>a. Can Raju sue Vijay for the damage? If yes, what kind of damages?</p> | |

Explain the facts through the relevant provision and case laws

- Q.3 Discuss the various modes of protection evolved by Courts to protect an individual from exploitation that can arise out of standard form of contracts. Elucidate your answer with relevant case laws. 10
- Q.4 David, a sports car enthusiast and an expert in automobile engineering, is in the market for a new car and visits a local dealership, where he encounters a salesperson named Sarah. Sarah shows David a sleek sports car and highlights its features, including its powerful engine, advanced safety features, and fuel efficiency. Impressed by Sarah's enthusiastic presentation, David decides to purchase the car. During the negotiation process, Sarah assures David that the car has never been involved in any accidents and has passed all necessary inspections with flying colors. Relying on Sarah's representations, David agrees to purchase the car at the price quoted by the dealership. Several weeks after purchasing the car, David discovers that it has a significant history of previous accidents and has undergone extensive repairs to conceal the damage. Shocked and dismayed, David realizes that Sarah's assurances regarding the car's accident-free history were false and misleading. 4+6

In light of the statement mentioned above answer the following questions:

- a. Differentiate between voidable and void contracts under Indian Contract Act, 1872.
 - b. In light of the facts mentioned above, Decide the validity of the contract through which David purchased the car.
- Q.5 Emma and Michael, two colleagues at a financial firm, have been engaged in a friendly rivalry over their investment strategies for months. Both are confident in their abilities to predict market trends and achieve financial success. As their rivalry intensifies, Emma proposes to test their investment skills. She suggests that they each contribute Rs 10,000 to a shared investment fund, and the person who earns the highest return on investment (ROI) over a six-month period will claim the entire fund. Michael accepts the proposal, and they draft a detailed agreement outlining the terms of the agreement, including the duration of the investment period, the rules for selecting investment opportunities, and the allocation of profits or losses at the end of the period. They both sign the agreement and deposit their contributions into the shared investment fund. Over the next six months, Emma and Michael closely monitor the financial markets and make strategic investment decisions to maximize their returns. They engage in intense competition, analyzing market data, and adjusting their investment portfolios to gain an edge over each other. At the end of the six-month period, they calculate their respective ROIs and determine that Emma has achieved a slightly higher return than Michael, making her the winner. However, as they prepare to distribute the fund according to the terms of their 10

agreement, Michael raises concerns about the legality of their agreement and whether it constitutes a legal contract under applicable laws or not.

Decide the above stated case by referring to relevant legal principles and case laws under Indian Contract Act, 1872.

PART B

Marks

- Q.6 Write a short note on **any five** of the following:
- a. Contract of adhesion.
 - b. Privity of consideration.
 - c. *Non est factum*.
 - d. Doctrine of unjust enrichment.
 - e. Doctrine of *uberrima fides*.
 - f. Knock Out agreements.
 - g. Novation, alteration and rescission of contracts.

5x2
