

**GUJARAT NATIONAL LAW UNIVERSITY  
SILVASSA CAMPUS**

**Course: Law of Contracts – I (General Principles and Specific Reliefs)  
Semester- II (Batch: 2024-29)**

**End Semester Examination: April-May 2025**

**Date: 22<sup>nd</sup> April, 2025**

**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: 800 words and 5 Marks: 400 words

Part - A

**Marks**

Answer any **THREE** from following questions

- Q.1 Heal Sure Pvt. Ltd. advertised that its CoviCure Capsules, when used as prescribed, would prevent COVID-19. The advertisement promised ₹10,000 to anyone who contracted the virus despite proper use and stated that ₹1,00,000 had been deposited in an escrow account to support this claim. Ms. Priya saw the advertisement and used the medicine as directed but still tested positive. Heal Sure denied her claim, stating that the advertisement was merely promotional. (10)
- a) Analyze whether a valid contract was formed between Ms. Priya and Heal Sure Pvt. Ltd. under the Indian Contract Act, 1872.
- b) Explain the type of offer made by the company and when the communication of proposal and acceptance is considered complete, with reference to the provisions of the Act and relevant case laws.
- Q.2 “A” (an old man) transfers certain property to “B” (his son) by way of a gift, with the condition that “B” must pay an annuity to “C” (A’s brother). “B” initially agrees and “A” transfers the property. Later “B” refuses to pay the annuity. “C” sues “B” for enforcement of the agreement. (10)
- Can “C” enforce the contract against “B” under the Indian Contract Act, 1872? Explain the concept of privity of contract and its exceptions under the Indian Contract Act, 1872. Substantiate your answer with relevant legal provisions and case laws.
- Q.3 Vinu, a minor, mortgaged his property to secure a loan from his maternal uncle, Rajesh Kapoor, who was represented by an agent and the agent was fully aware of Vinu's minority at the time of executing the transaction. (10)
- Critically analyse the legal validity of the contract in light of capacity to contract under Indian Contract Act, 1872. Discuss the general principles governing a minor’s capacity to contract. Additionally, discuss if the party entering to contract is unaware of the minority of the other party or if the contract is for the benefit of the minor, would it change the

outcome of above stated case. Support your analysis with the relevant provisions of the Act and case laws.

- Q.4 Karan, the owner of an art gallery, offers to sell a painting to Bipasha. During the course of negotiations, Karan represents that the painting is an original masterpiece—a statement that is crucial to Bipasha’s decision to enter into the contract. However, Karan is fully aware that the painting is a forgery. Relying on Karan’s representation, Bipasha purchases the painting. Subsequently, she discovers the true nature of the artwork. (10)
- a) Examine whether the contract is voidable on the grounds of fraud or misrepresentation under the Indian Contract Act, 1872. In your discussion, outline the essential elements required to establish fraud or misrepresentation, and analyze the legal implications of a contract entered into without the free consent of one party.
  - b) Explain the right of rescission and the limitations that may be imposed in seeking such a remedy. Assess whether this remedy is available to Bipasha in the present case.

Support your analysis with relevant statutory provisions and judicial interpretations.

- |   | Part - B | <b>Marks</b> |
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| Q.5 Distinguish between the following ( <b>any TWO</b> ): |          | (5x2)        |
| a.) Misrepresentation and Undue influence                 |          |              |
| b.) Offer and Invitation to Offer                         |          |              |
| c.) Void and Voidable Contracts                           |          |              |
| Q.6 Write Short Notes on following ( <b>any TWO</b> ):    |          | (5x2)        |
| a.) Contingent Contracts                                  |          |              |
| b.) Doctrine of Frustration                               |          |              |
| c.) Promissory Estoppel                                   |          |              |

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