# 2011

## (July)

## LAW OF CONTRACT-I

Paper : 202

(New Course)

Full Marks - 80

Pass Marks - 32

Time - Three hours

The figures in the margin indicate full marks
for the questions.

1. A in Dibrugarh made a proposal by writing a letter to B to sell his house at Rs. 10 lakhs at Tinsukia.

   B accepts A's proposal by writing a letter to A.

   State when the proposal of A is deemed to be complete and when B's acceptance is deemed to be complete. 16

2. Write short notes on any *four* of the following : 
$$4 \times 4 = 16$$

   (a) Wagering contract

   (b) Capacity of the parties

   (c) Time is essence of contract

   (d) Sound Mind

   (e) Quantum Meruit

   (f) Agreement in Restraint of Trade.

3. Describe the essential characteristics of a valid contract. 
16

Or

Describe the various recognised measures for determination of compensation payable in case of breach of contract. 
16

4. Distinguish between any *two* of the following : 
$$8 \times 2 = 16$$

   (a) Fraud and Misrepresentation

   (b) Mistake of Fact and Mistake of Law

   (c) Contingent Contract and Wagering Contract.

Or

A and B agree that A shall sell B a house for Rs. 1 lakh but if B uses it as gambling house B shall pay Rs. 5 lakhs for it.

State how the validity of the contract will be determined in this contract and give reasons for your answer.                                    16

5.  State briefly the facts, points for decision and points decided in the following case :         16

Marvi Mercantile Bank

Vs

Union of India (AIR 1965 SC 1954)

Or

Explain the doctrine of frustration under the Indian Law of Contract.                   16