Odisha Judicial Service (Mains) 2016

Law of Contract · optional paper

3 hours · 150 marks

The figures in the right-hand margin indicate marks. Answer six questions, selecting two questions each from any two Sections and one each from the remaining two Sections.

Section A

1. (a) "An offer need not be made to an ascertained person, but no contract can arise until it has been accepted by an ascertained person." Discuss. 15 [25 marks]

(b) 'Mere silence is not fraud.'Explain. 10

2. (a) "Initial impossibility renders an agreement void and subsequent impossibility renders a contract void." Discuss. 15 [25 marks]

(b) A vacates the house without the payment of electricity bill. Consequently electricity is disconnected from the power house, B the successor tenant deposits the arrears of electricity bill and brings a suit for its recovery. Will he succeed ? 10

3. (a) "Surety's liability is co-extensive with that of Principal Debtor." Explain. 15 [25 marks]

(b) B owes a debt to C of which A is the surety. The debt becomes payable. C does not sue B for the debt. Is A discharged from his liability? 10

Section B

4. (a) Explain the difference between a sale and agreement to sell. When does an agreement to sell become a sale ? 15 [25 marks]

(b) The defendant agreed to sell at certain rate 200 kgs. of Potato which were to grow on the defendant's field, suddenly the entire crop was destroyed by a disease. Discuss the position of defendant legally. 10

5. 'The buyer acquires no better title to the goods than the seller.' Discuss and point out the exceptions.

6. (a) When does a seller become an unpaid seller ? What are his rights ? 15 [25 marks][25 marks]

(b) Write note on "Passing of Property". 10

Section C

7. (a) Define Partnership and discuss its essentials. 15 [25 marks]

(b) Can minor become partner? 10

8. Discuss the nature of non-partnership interests as provided under the Indian Partnership Act.

9. (a) Discuss the law relating to 'Partner by holding-out'. 15 [25 marks][25 marks]

(b) State the disadvantages of non-registered firm. 10

Section D

10. (a) "Every Cheque is a Bill of Exchange but every Bill of Exchange is not a Cheque." Comment. 15

(b) What do you mean by Negotiability ? Make the difference between negotiability and assignability. 10 [25 marks]

11. (a) Explain the term holder and distinguish it from a holder-in-due course. 15 [25 marks]

(b) A is the payee of an order instrument. A endorses it in favour of B. C steals that instrument and forges B's signature and makes an endorsement in his own (C's) favour. C then endorses to D who takes it for consideration and without having sufficient causes to believe that any defect existed in the title of C. Is D a holder-in-due course ? 10

12. (a) What do you mean by dishonour of cheques? Is dishonour of cheque for insufficiency of fund in the account an offence ? Explain. 15 [25 marks]

(b) What do you mean by crossing of cheque ? State the law relating to the payment of crossed and uncrossed cheques. 10

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