# Odisha Judicial Service (Mains) 2019

## Law of Contract · optional paper

Time: 3 hours. Full marks: 150. The figures in the right-hand margin indicate marks. Answer six questions selecting two questions each from any two Sections and one each from remaining two Sections.

### Section A

1. (a) Define ‘consideration’. “No consideration, no contract." Comment. [10 marks]

1. (b) Explain the doctrine of 'Privity of Contract’ and give an account of the exceptions to the doctrine. [15 marks]

2. (a) When is a contract said to be induced by 'undue influence’? When a party is deemed to be in a position to dominate the will of another? [15 marks]

2. (b) Discuss the effect of undue influence on a contract. [10 marks]

3. (a) What is bailment? [10 marks]

3. (b) Discuss the rights and duties of bailor and bailee. [15 marks]

### Section B

4. (a) Explain the nature of a contract of sale of goods and bring out clearly the distinction between sale and hire purchase agreement. [15 marks]

4. (b) What is the effect of destruction of specific goods in contract of sale? [10 marks]

5. (a) Distinguish between “a condition" and “a guarantee". [10 marks]

5. (b) Explain the rule of caveat emptor and state how far it is modified by implied conditions. [15 marks]

6. (a) Who is an ‘unpaid seller’? [10 marks]

6. (b) Under what circumstances an unpaid seller who is in possession of goods entitled to retain possession of goods ? [15 marks]

### Section C

7. (a) Define partnership. What are its essential characteristics? [10 marks]

7. (b) “The law of partnership is but an exception of the law of principal and agent.” Explain. [15 marks]

8. (a) “Distinguish between “Partnership firm" and “Hindu undivided family business”. [10 marks]

8. (b) “Although sharing of profits is an essential element of partnership, it is not the sole test." Comment. [15 marks]

9. (a) What are the various circumstances in which a firm may be dissolved ? [15 marks]

9. (b) In what different cases will the court order dissolution of a firm at the suit of a partner ? [10 marks]

### Section D

10. (a) What is a ‘negotiable instrument’? [10 marks]

10. (b) Explain its special characteristics. [15 marks]

11. "Dishonour of a cheque for want of funds is an offence under the Negotiable Instruments Act.” Do you agree with this statement ? Discuss. [25 marks]

12. (a) Define a 'holder in due course'. What are his privileges under the Negotiable Instrument Act, 1881? [15 marks]

12. (b) "Partial endorsement does not operate as negotiation of an instrument." Discuss. [10 marks]

De Facto IAS