Odisha Judicial Service (Mains) 2022

Law of Contract · optional paper

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) Explain 'legality of object' under the Contract Act. [10]
(b) X paid a sum of ₹50 lakhs to Y. In return, Y promised to use his influence with the selection committee for securing a seat for X's son in a medical college. X's son could not get the seat. X filed a suit against Y for recovery of ₹50 lakhs. Will he succeed? [5]
(c) If one party makes a breach of contract, what are the remedies available to the other party? [10]

2. (a) Examine with reference to relevant case-law as to when acceptance need not be communicated. [5]
(b) Anson owes Badal under a contract, a sum of money, the amount of which has not been ascertained. Anson without ascertaining the amount gives to Badal, and Badal, in satisfaction thereof accepts the sum of ₹2,000. Is this amount to discharge of the whole debt? Explain. [10]
(c) State the exceptions when agreement without consideration is valid. [10]

3. (a) (i) A promises to pay B a sum of ₹5,000, if X, a ship does not return within a year. The ship is burnt within a year. Can the contract be enforced?
(ii) What is a contingent contract? [10]
(b) Explain Rights of Surety (i) against principal debtor, (ii) against creditor and (iii) against co-sureties. [15]

SECTION—B

4. (a) Explain 'Goods' under the Sale of Goods Act. Does lottery ticket come under the definition? [5]
(b) "Any sugar grower offering to sell his sugarcane to a factory in a certain zone, the factory is bound to accept that offer" as per a state statute. Explain whether the validity of the agreement is affected on the ground of absence of free consent. [10]
(c) What are the essentials to constitute a Contract of Sale? [10]

5. (a) Explain conditions. What are the options for the buyer on breach of conditions? [10]
(b) Explain warranties. What are the remedies for breach of warranty? [10]
(c) "If A buys a dishwasher and due to some defects, the vessel washer changes its colour." Explain whether the implied warranty covers the vessel. [5]

6. (a) Explain the circumstances when the seller of goods is deemed to be an unpaid seller. [10]
(b) What are the rights of an unpaid seller? What are the circumstances in which he can exercise lien on goods? [15]

SECTION—C

7. (a) (i) Is registration of a firm optional?
(ii) Explain the procedures for the registration of a firm. [10]
(b) What are the effects of non-registration? [10]
(c) A suit was filed by a partner of a firm for declaration of absolute right, title and interest in respect

of the suit property against other partners. The contention raised was the suit is barred by Section 69(1) of the Partnership Act. Is the suit maintainable? [5]

8. (a) Explain the rights and duties of partners in a partnership under the Partnership Act. [20]
(b) A son entered a firm upon the death of his father and business was continued without new agreement. Is the son entitled to get share of his father? [5]

9. (a) (i) Explain the application of the principle laid down in Cox vs. Hickman.
(ii) Explain the mode of determining existence of partnership in India. [10]
(b) Who are the "holders of non-partnership interest"? [10]
(c) S is a salaried partner of a firm of Charted Accountants. Is he a true partner? Is S entitled to profits? [5]

SECTION—D

10. (a) What is bill of exchange? How is it different from a promissory note? [10]
(b) What is noting and protest? What are the contents of protest? When is noting equivalent to protest? [10]
(c) A, the maker signs a blank stamped paper and gives it to B authoring B to fill it as a note for ₹500 to secure an advance which C is to make to B. B fills the note for ₹2,000 payable to C and C advanced ₹2,000.
(i) In what circumstances C's claim is enforceable?
(ii) If A contends, C is not a holder in due course, who is to prove or disprove it? [5]

11. (a) Define negotiable instrument. What are different types of negotiable instruments? [10]
(b) Distinguish between negotiation and assignment of negotiable instruments. [5]
(c) A gift cheque given to Rohita by her friend Rohit on her birthday was returned unhonoured by the bank citing deficiency of funds in the account. Is Rohit liable under the Negotiable Instrument Act to honour the cheque, if Rohita issues a notice to him demanding payment? [10]

12. (a) Who is a holder of a negotiable instrument in due course? What are the rights of the holder of a negotiable instrument? [10]
(b) "I promise to pay B a sum of ₹1,000 seven days after my marriage with C." Is this a promissory note? [5]
(c) What are the salient features of The Negotiable Instrument Act? [10]