

JSM – 16 / 6

Law of Contract

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) "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
- (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
- (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
- (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
- (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. 25

6. (a) When does a seller become an unpaid seller?
What are his rights? 15
- (b) Write note on "Passing of Property". 10

SECTION – C

7. (a) Define Partnership and discuss its
essentials. 15
- (b) Can minor become partner? 10
8. Discuss the nature of non-partnership interests
as provided under the Indian Partnership Act.
25
9. (a) Discuss the law relating to 'Partner by
holding-out'. 15
- (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

11. (a) Explain the term holder and distinguish it from a holder-in-due course. 15
- (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
- (b) What do you mean by crossing of cheque? State the law relating to the payment of crossed and uncrossed cheques. 10

