

Bachelor of Law (LL.B) (Five Year Course) (CBCS Pattern) Second Semester CBCS
Course Code-UI52C06 : Law of Contract-II

P. Pages : 2

Time : Three Hours



GUG/W/18/10104

Max. Marks : 80

- Notes : 1. Attempt all questions.
2. Marks are indicated against each question.

- 1.** Choose the correct alternative for the following questions. **10**
- i) A contract to perform the promise, or discharge the liability, of a third person in case of default is known as:
a) Contract of indemnity b) Contract of guarantee
c) Contingent contract d) Quasi contract
- ii) Section 133 of Indian Contract Act 1872 provides:
a) Discharge of Surety by variance in terms of a contract
b) Surety's liability
c) Release of one cosurety does not discharge other
d) Implied promise to indemnity Surety
- iii) In contract of guarantee, the person who gives the guarantee is known as :
a) Debtor b) Surety
c) Creditor d) Principal debtor
- iv) The Bailment of goods as security for payment of a debt or performance of promise is called :
a) Pledge b) Bailment
c) Contingent contract d) Agreement
- v) What happens to a continuing guarantee in case of surety's death:
a) Indemnification from the property of the surety with regard to future transactions
b) Revocation of the continuing guarantee with regard to future transactions
c) The continuing guarantee shall continue in the name of the surety's heirs
d) The continuing guarantee shall be continued by any other person
- vi) Where a person pledges goods in which he has only a limited interest, the pledge is-
a) Invalid to the extent of that interest
b) Entire contract is invalid
c) Valid to the extent of that interest
d) Entire contract is valid
- vii) An Agent's authority can be created
a) Only by expressly writing the terms thereof
b) Only by implication
c) Only by expressly writing the terms thereof and registering the same with sub-registrar
d) either expressly or impliedly

- viii) A sub-agent is a person employed by and acting under the control of
 - a) The principal only
 - b) The original agent in the business of agency only
 - c) Both the principal and original agent only
 - d) None of the above
- ix) Can a company become a partner in a firm?
 - a) Yes, as the company is regarded as person in legal sense of the term.
 - b) No, as the partnership is an association of natural persons only.
- x) A partnership firm comes into existence by agreement between all the partners, and such agreement should be
 - a) Express agreement only b) Implied agreement only
 - c) Either express or implied d) Registered

2. What is a Contract of Guarantee? Explain various modes by which surety is discharged from his liability under contract of guarantee. **14**

OR

What is contract of indemnity? Explain the rights of indemnity Holder.

3. Explain the term "Bailment" and discuss the rights of Bailee with the relevant case laws. **14**

OR

Define Contract of Pledge. Discuss the rights and duties of Pawnor.

4. What is Agency? Discuss modes of creation of agency. **14**

OR

Discuss the Rights and duties of Principal and Agent.

5. Define Partnership. Critically evaluate the Rights of partners under Indian Partnership Act 1932. **14**

OR

Discuss the relation of a partners to their person and to one another.

6. Define "contract of sale". Explain the essentials of Valid Contract of Sale? **14**

OR

Define and distinguish between Condition and Warranty?
