


<b>Name:</b> <b>Enrolment No:</b>			
<p style="text-align: center;"><b>UPES</b>  <b>End Semester Examination, May 2025</b></p> <p> <b>Course: Law of Contracts-II</b>  <b>Program: LLB. (Hons)</b>  <b>Course Code: CLCC1004</b> </p> <p style="text-align: right;"> <b>Semester: II</b>  <b>Time: 03 hrs.</b>  <b>Max. Marks: 100</b> </p> <p><b>Instructions:</b></p>			
<b>SECTION A</b> <b>(5Qx2M=10Marks)</b>			
S. No.		Marks	CO
Q 1	Distinguish between pledge and hypothecation by analyzing their key differences in terms of ownership, possession, and legal rights.	2	CO1
Q 2	How did the court in <i>Gajanan Moreshwar v. Moreshwar Madan</i> , AIR 1942 Bom 302, modify the interpretation of the requirement of loss or damage for enforcing a contract of indemnity under Indian law?	2	CO2
Q 3	Can there be a valid contract of guarantee without consideration?	2	CO2
Q 4	Describe the meaning of "goods" under the Sale of Goods Act, 1930	2	CO1
Q 5	What are the essential conditions for the application of the doctrine of agency of necessity?	2	CO2
<b>SECTION B</b> <b>(4Qx5M= 20 Marks)</b>			
Q 6	A, B, and C are partners in a trading firm. Without consulting the others, B enters into a contract with a supplier to withdraw a legal proceeding filed on behalf of the firm against the supplier. Later, A and C refuse to honor the contract, claiming that B was not authorized to do so. With reference to the concept of implied authority under the Indian Partnership Act, 1932, analyze whether the firm is bound by B's actions.	5	CO4
Q 7	Discuss the right and duties of finder of goods under the Indian Contract Act, 1872.	5	CO3
Q 8	List the essential clauses that should be included in a partnership deed.	5	CO3
Q 9	Differentiate between Servant and Agent	5	CO2
<b>SECTION-C</b> <b>(2Qx10M=20 Marks)</b>			

Q 9	Analyze the rights and liabilities of M, a minor admitted to a partnership for benefits, in relation to the acts of partners named B and C under the following situations: (a) During his minority, (b) After attaining majority, when he chooses or chooses not to become a partner.	10	CO3
Q 10	Critically analyze the extent of application of the doctrine ' <i>Nemo Dat Quod Non Habet</i> ' under Indian law, with reference to relevant statutory provisions and judicial decisions.	10	CO3
<b>SECTION-D</b> <b>(2Qx25M=50 Marks)</b>			
Q 11	<p>Ravi, a small-scale entrepreneur, approached "Techno Mart Ltd" (a reputed electronics supplier) to purchase 50 industrial-grade air purifiers for use in his new cold storage facility. Ravi informed the sales manager that the purifiers must be suitable for operating continuously in sub-zero temperatures and filtering specific airborne bacteria that could affect perishable goods.</p> <p>The manager assured Ravi that their Model-X purifiers were "top quality" and "widely used in similar settings." Relying on this, Ravi purchased the purifiers without further inquiry. The contract of sale included a clause stating that "<i>no warranties are implied unless expressly stated and the buyer is responsible for ensuring the suitability of the goods.</i>"</p> <p>After two months of use, the purifiers began to fail due to their inability to function below 0°C. Furthermore, they lacked the filtration specification needed to block the bacteria Ravi had identified. When Ravi sought to return the goods or claim damages, Techno Mart Ltd. refused, citing the <i>caveat emptor</i> clause.</p> <p><b>Based on the above facts, analyse and apply the provisions of the Sale of Goods Act, 1930 to resolve this dispute:</b></p> <p>(a) Critically examine whether Ravi can claim that there was a breach of condition or warranty under the Sale of Goods Act, 1930. If Ravi can claim either, what remedy would be available to him? <b>(10 marks)</b></p> <p>(b) Discuss the applicability of the principal caveat emptor in this case. <b>(7.5 marks)</b></p> <p>(c) Would your answer differ if Ravi had simply selected the air</p>	25	CO4

	purifiers from a brochure without specifying his intended purpose? (7.5 marks)		
Q 13	<p>Neha, the owner of a renowned clothing brand, appointed Rajesh as her agent to handle the procurement of fabric and accessories for her new collection. Rajesh was specifically authorized to deal only with fabric suppliers. However, without Neha's consent, Rajesh entered into a contract with <i>Style Tech Ltd.</i> for purchasing high-end industrial sewing machines worth ₹30 lakh, falsely claiming to have Neha's approval. When Neha learned of the unauthorized transaction, she immediately sent a formal notice to Style Tech Ltd., denying any liability. However, due to an urgent need for the machines in her production process, Neha used some of them in her factory a month later. Now, Style Tech Ltd. demands full payment, arguing that Neha's use of the machines constitutes ratification. Neha, however, asserts that since she had already denied liability, she is not bound by Rajesh's actions. Answer the following while referring to relevant provisions and case laws:</p> <p>a. Did Rajesh breach his duties as an agent? (7.5 marks)</p> <p>b. Does Neha's use of the sewing machines amount to ratification, despite her initial denial of liability? (10 marks)</p> <p>c. What remedies are available to Style Tech Ltd. against (either or both) Neha and Rajesh? (7.5marks)</p>	25	CO4