


<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: BA_BBA LLB</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 features.	2	CO2
Q 2	Differentiate between a particular partnership and a partnership at will.	2	CO2
Q 3	Explain the rights available to an unpaid seller against the buyer.	2	CO2
Q 4	When does the breach of condition can be treated as breach of warranty?	2	CO1
Q 5	What are the exceptions to <i>delegatus non potest delegare</i> ?	2	CO1
<b>SECTION B</b> <b>(4Qx5M= 20 Marks)</b>			
Q 6	Differentiate between contract of guarantee and contract of bailment. Or Difference between Bailment and pledge.	5	CO2
Q 7	Write a short note on-: (a) Retirement of a partner. (b) Insolvency of a partner. Or “Partnership created by status and not by contract”- Comment on the correctness of the statement.	5	CO2
Q 8	Write a short note on – “Partnership Property” Or Difference between estoppel and holding out.	5	CO2

Q 9	Difference between condition and a warranty. Or Short note on Agency by necessity.	5	CO2
<b>SECTION-C</b> <b>(2Qx10M=20 Marks)</b>			
Q 10	Analyze the rights and liabilities of M, a minor admitted to the benefits of a partnership, in relation to the acts of partners 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 11	X, Y, and Z operate an unregistered partnership firm dealing in electronics. A dispute arises, and X wants to sue Y for his share of the profits. Meanwhile, a supplier also files a suit against the firm for non-payment of dues. Analyze the legal consequences of non-registration under the Partnership Act, 1932 and evaluate the maintainability of both suits—one by a partner and the other by a third party.	10	CO3
<b>SECTION-D</b> <b>(2Qx25M=50 Marks)</b>			
Q 12	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. 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> " 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.	25	CO4

	<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>10marks</b></p> <p>(b) Discuss the applicability of the principle caveat emptor in this case. <b>7.5marks</b></p> <p>(c) Would your answer differ if Ravi had simply selected the air purifiers from a brochure without specifying his intended purpose? <b>7.5 marks</b></p>		
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 Style Tech Ltd. 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.</p> <p>a. Did Rajesh breach his duties as an agent? Discuss in light of the Indian Contract Act, 1872. <b>7.5 marks</b></p> <p>b. Does Neha's use of the sewing machines amount to ratification, despite her initial denial of liability? Refer to relevant legal provisions. <b>10 marks</b></p> <p>c. What remedies are available to Style Tech Ltd. against (either or both) Neha and Rajesh under the Indian Contract Act, 1872? <b>7.5 marks</b></p>	25	CO4