

**JSM – 19/6**

**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) Define 'consideration'. "No consideration no contract." Comment. 10  
(b) Explain the doctrine of 'Privity of Contract' and give an account of the exceptions to the doctrine. 15
2. (a) When is a contract said to be induced by 'undue influence' ? When a party is deemed to be in a position to dominate the will of another ? 15  
(b) Discuss the effect of undue influence on a contract. 10

3. (a) What is bailment ? 10  
(b) Discuss the rights and duties of bailor and bailee. 15

### SECTION – B

4. (a) Explain the nature of a contract of sale of goods and bring out clearly the distinction between sale and hire purchase agreement. 15  
(b) What is the effect of destruction of specific goods in contract of sale ? 10
5. (a) Distinguish between "a condition" and "a guarantee". 10  
(b) Explain the rule of **caveat emptor** and state how far it is modified by implied conditions. 15
6. (a) Who is an 'unpaid seller' ? 10  
(b) Under what circumstances an unpaid seller who is in possession of goods entitled to retain possession of goods ? 15

### SECTION – C

7. (a) Define partnership. What are its essential characteristics ? 10
- (b) "The law of partnership is but an exception of the law of principal and agent." Explain. 15
8. (a) "Distinguish between "Partnership firm" and "Hindu undivided family business". 10
- (b) "Although sharing of profits is an essential element of partnership, it is not the sole test." Comment. 15
9. (a) What are the various circumstances in which a firm may be dissolved ? 15
- (b) In what different cases will the court order dissolution of a firm at the suit of a partner ? 10

### SECTION – D

10. (a) What is a 'negotiable instrument' ? 10
- (b) Explain its special characteristics. 15

11. "Dishonour of a cheque for want of funds is an offence under the Negotiable Instruments Act." Do you agree with this statement ? Discuss. 25
12. (a) Define a 'holder in due course'. What are his privileges under the Negotiable Instrument Act, 1881 ? 15
- (b) "Partial endorsement does not operate as negotiation of an instrument." Discuss. 10

