

① Contingent Contract :-

A contingent contract is a contract indicating to do or not to do something, if some event, collateral to such contract, does or does not happen (sec. 31)

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② Bailee :-

Rights of Bailee → Rights Compensation (Section 164 & 166) :-

① If the bailor has no right to bail the goods or to receive them back or to give directions regarding them and consequently the bailee is exposed to some loss, the bailor is responsible for the same. If the bailor has no title to the goods, and the bailee in good faith delivers them back to or according to the directions of the bailor, the bailee shall not be responsible to the owner in respect of such delivery.

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③ Counter offer :-

A 'counter-offer' is a rejection of the original offer and making of a new offer. A party who makes a counter-offer & subsequently changes his mind and wishes to accept the original offer cannot do so, as the 1<sup>st</sup> lapses, and he cannot treat it as still open.

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4. Who is competent to contract?

- Minors
- Persons of unsound mind and
- Persons disqualified from any law to which they are subject.

5. what is bilateral mistake

A bilateral mistake is when both the parties to an agreement are under a mistake as to a matter of fact essential to the agreement there is a bilateral mistake.

6. Explain misrepresentation

A statement of fact which one party makes in the course of negotiations with a view to inducing the other party to enter into a contract is known as a representation, such representation when wrongly made either innocently or intentionally is called as misrepresentation.

7. what is an agreement to sell?

When under a contract of sale, the transfer of property in goods is to take place at a future date or subject to some conditions thereafter to be fulfilled, the contract is called an "agreement to sell".

8. what do you understand by discharge by operation of law?

- Death
- Merger
- Insolvency
- unauthorized alteration of the terms of written agreement
- Rights and liabilities vested in the same person

9. what is lien?

Lien means the right of a person to retain possession of goods belonging to another until debt or claim of the person in possession.

10. Define Consideration?

According to sec 2(d) consideration as "when at the desire of the promisor, the promisee or any other person has done or abstained from doing or does or to abstain from doing, something such act or abstinence or promise is called a consideration for the promise".

11. who is called Co-Surety?

When two or more persons guarantee the same debt jointly or severally, whether under the same or different contracts, they are known as Co-Surety.

12. who is bailor?

The person delivering the goods is called the Bailor.

### PART-B

13. State the essential elements of a valid contract.

- \* offer and acceptance
- \* Intention to create legal relationship
- \* Lawful consideration
- \* Capacity of parties - competency
- \* Free and genuine consent
- \* Lawful object
- \* Agreement not declared void
- \* Certainty and possibility of performance.
- \* legal formalities.

14. Distinguish between misrepresentation and fraud?

Particulars	Fraud	Misrepresentation
Intention	There is an intention to deceive the other party	There is a mis-statement or concealment of a material fact
Nature	It is willful or deliberate	It is innocent
Belief	The person does not believe it to be true	The person making suggestion believes it to be true
Rescission	Remedy available to the aggrieved party is not limited to rescission	The aggrieved party can rescind the contract or sue for & restitution
Damages	There can be no suit for damages	He can claim damages
Discovery of truth	Here the aggrieved party finds truth and can concealment, and he avoid the contract	The aggrieved party cannot avoid the contract.

16. what are the kinds of Quasi contract?

- \* Supply of necessaries
- \* Payment by an interested person
- \* obligation to pay for non-gratuitous acts.
- \* Conditions must be satisfied
- \* Responsibility of finder of goods.
- \* Mistake or Co-ercion.

17. Define damages as a remedy for breach of Contract.

\* Damages  
The word damages means compensation in money which the party who suffers by a breach of contract is entitled to receive from the party who has broken the contract. The fundamental principle underlying damages is not punishment but compensation.

- Ordinary damages
- Special damages
- Vindictive or exemplary damages
- Nominal damages.
- Damages for loss of reputation
- Damages for inconvenience and discomfort.
- Mitigation of damages.
- \* Cost of decree
- \* Liquidated damages and penalty
- \* Penalty
- \* Quantum Meruit
- \* Specific performance
- \* Injunction.

18. Who are the persons of unsound mind?

- \* Effects of Agreements made by persons of unsound mind
- \* Tests of Soundness of Mind
- \* Mental incompetents
  - Idiots

- Lunatics and insane persons
- Drunkards

19. Explain the duties of a finder of lost goods?

- Right of possession
- Right of particular or special lien
- Right to reward
- Right of Sale
- obligation of finder of lost goods.

### Part - C.

20. What are the essentials of a valid tender?

- \* It must be unconditional
- \* It must be of whole quantity contracted for.
- \* It must be by a person who is in a position to perform and is willing to perform the promise
- \* It must be made to the proper time and place.
- \* It must be made to the proper person.
- \* It may be made to one of the several joint promises.
- \* It must give reasonable opportunity for inspection of the goods.

21. Distinguish between Sale and agreement to Sell.

### Sale

- \* The property in the goods passes from Seller to buyer immediately
- \* Sale is an executed contract
- \* Sale can only be in case of existing and specific goods only
- \* The buyer fails to pay the price of the goods, the seller can sue for the price
- \* The seller cannot resell the same goods

### Agreement to Sell

- The transfer of property in the goods is to take place at a future time or subject to certain conditions to be fulfilled
- An agreement to sell is an executor contract.
- An agreement to sell is mostly in case of future and contingent goods.
- There is breach of contract by the buyer, the seller can sue for damages and not for the price.
- The buyer who takes the goods for consideration and without notice for the prior agreement, gets a good title. In that case, the original buyer can only sue for damages.

\* It gives right to the buyer to enjoy the goods as against the world at large

\* It is liable to Sales tax

\* If the Seller becomes insolvent, the buyer being the owner, is intitled to recover the goods from the official receiver or assignee

It gives right to the buyer against the Seller to sue for damages.

It is not liable to Sales tax.

If the buyer, who has paid the price, finds that the seller has become insolvent, he can only claim a rateable dividend and not the goods.

22. Examine the remedies available for breach of contract of Sale?

23. Explain the rights and duties of the bailee

Rights bailee

- \* Delivery of goods to one of several joint bailors of goods
- \* Delivery of goods to bailor without title
- \* Right to apply to Court to stop delivery
- \* Right to action against trespassers
- \* Bailee's lien.

Duties of bailee

- \* To take reasonable care of the goods bailed.
- \* Not to make any unauthorized use of goods
- \* Not to mix the goods bailed with his own goods
- \* Not to set up an adverse title
- \* To return any accretion to the goods.

24. State the rights of an unpaid seller.

- Right of lien
- Right of Stoppage in transit (U/s. 46(1) and 50 to 52
- Right of resale
- Right of withholding delivery
- \* Rights of an unpaid seller against the buyer personally.

- Suit for price (U/s. 55)
  - Suit for Damages for non acceptance (U/s. 56)
  - Suit for Damages for Repudiation of Contract before due date (U/s. 60)
  - Suit for interest (U/s. 61)
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