

9 NOV 2024

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination November – 2024

Semester: UG I Semester

Subject: Contract-I (General Principles and Specific Relief Act)

Time: Three Hours

Marks: 100

**Instructions:**

1. Answer any 5 out of 6 questions.
2. Marks have been indicated against each question.
3. Your answers must be to the point, brevity will be appreciated.

Q.1). Explain with the help of supporting cases whether the following language extracted from a letter of intent will constitute a binding contract:

*“We hereby acknowledge that the Commonwealth Bank of Australia has agreed to make temporary credit facilities totalling two hundred and fifty thousand Australian dollars \$A250,000 available to Hovertravel Australia Pty Ltd which represents payments for ongoing operating costs and salaries. We confirm that the company will complete takeover arrangements (subject to shareholders' approval) of Hovertravel Ltd as soon as legally possible. These arrangements include the injection of sufficient capital to repay the temporary facility as mentioned above to takeover date or within 30 days of this date.”*

(Marks 20)

Q.2).

a). X approaches Y to buy ten cartons of cutlery. X represents himself as a representative of King's Castle, a well known chain of hotels all over India, whose presence can be verified by a simple Google search. Genuinely believing X, Y accepts X's cheque of Rs. 1 lakh and transfers the consignment to X. X swiftly sells the consignment to Z for Rs. 1.5 lakh. The cheque could not be encashed by Y due to insufficient funds and Y sues Z for recovery of the cutlery cartons, as X could not be traced. Decide.

b). P leased out an apartment to Q on January 1, 2020, for a monthly rent of Rs. 20,000. However, in the month of March, due to outbreak of COVID 19, the Government of India announced a nationwide lockdown. Keeping in mind the economic difficulties of lockdown, P notified Q that for the next two years, starting April 1, 2020, the rent would be revised to Rs. 10,000. As the economic situation improved in 2022, P reminded Q in the month of October that Q had to pay the arrears from April, 2020-September, 2022, failing which he would be evicted. When Q failed to respond, P filed a suit against Q. Q has approached you for legal assistance. Advise.

(Marks 10+10=20)

Q.3). Discuss the various types of injunctions provided under the Specific Relief Act, 1963.

(Marks 20)

Q.4). Analyze and decide the following -

a). X publishes an advertisement regarding his 'hair growth pack' on August 1, 2024, where he guarantees stoppage of hair fall, if the pack is applied on the head for 15 continuous days within 30 minutes before shower. X promises in this advertisement that whosoever experiences loss of hair after applying the product in the prescribed manner will be compensated by payment of Rs. 1 lakh. On



August 2, 2024, X deposits Rs. 10 lakhs in his bank account and updates his accounts by inserting an entry 'earmarked for compensation claims'. Y purchases this pack and applies it from August 5 to 14 shortly before taking shower. He skips the routine on August 15 because of attending an independence-day celebration programme. From August 16 to 18, he applies the pack as before. On August 19 and 20, he applies the pack after taking the shower. From August 24, Y starts experiencing massive hair fall and turns almost half bald in a week. Y approaches X for compensation but X refuses payment. Y files a suit against X seeking Rs. 1 lakh. X has approached you for legal assistance. Advise. (Marks 10)

b). "Undue influence results when consent is given based on a relation of natural love and affection." Do you agree? Explain with the help of ONE relevant case law. (Marks 10)

Q.5). Discuss the effect of acceptance of performance or release of promisor by one of the joint promisees on the remaining promisees under the Indian contract law. (Marks 20)

Q.6). Compare and contrast the award of liquidated damages under the Indian contract law and common law with supporting cases. (Marks 20)