



C. U. SHAH UNIVERSITY
Wadhwan City

FACULTY OF:- LAW
DEPARTMENT OF:- LAW
SEMESTER:- -IV
CODE:- - 4LW02CNT1
NAME:- – CONTRACT LAW - I

Teaching and Evaluation Scheme:-

Subject Code	Name of the Subject	Teaching Scheme (Hours)				Credits	Evaluation Scheme							
		Th	Tu	Pr	Total		Theory				Practical (Marks)			Total
							Sessional Exam		University Exam		Internal		University	
							Marks	Hrs	Marks	Hrs	Pr/Viva	TW	Pr	
4LW02CNT1	CONTRACT LAW I	5	0	0	5	5	30	1.5	70	3	---	---	---	100

PAPER -1 CONTRACT –I (GENERAL PRINCIPLES OF CONTRACT) 100

Syllabus.

1. General Principles of Law of Contract.

- 1.1. History and nature of contractual obligations.
- 1.2. Agreement and contract : definitions, elements and kinds.
- 1.3. Proposal and acceptance-their various forms, essential elements, communication and revocation-proposal and invitations for proposal-floating offers-tenders-dumping of goods.
- 1.4. Consideration-its need, meaning, kinds, essential elements-nudum pactum-privy of contract and of consideration-its exceptions-adequacy of consideration-present, past and adequate consideration-unlawful consideration and its effects views of Law Commission of India on consideration-evaluation of the doctrine of consideration.
- 1.5. Capacity to contract-meaning-incapacity arising out of status and mental defect-minor’s agreements-definition of ‘minor’ – accessories supplied to a minor agreements beneficial and detrimental to a minor affirmation-restitution in cases of minor’s agreements-fraud by a minor-agreements made on behalf of a minor-minor’s agreements and estoppels-evaluation of the law relating to minor’s agreements-other illustrations of incapacity to contract.



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- 1.6. Free consent-its need and definition-factors vitiating free consent.
- 1.6.1. Coercion-definition-essential elements-elements-duress and coercion-various illustrations of coercion-doctrine of economic duress-effect of coercion.
- 1.6.2. Undue Influence-definition-essential elements-between which parties can it exist? Who is to prove it? Illustrations of undue influence-independent advice-pardahanashin women-unconscionable bargains-effect of undue influence.
- 1.6.3. Misrepresentation-definition-misrepresentation of law and of fact-their effects and illustration.
- 1.6.4. Fraud-definition-essential elements-suggestion falsi-suppresio veri-when does silence amounts to fraud ? Active-concealment of truth-importance of intention.
- 1.6.5. Mistake-definition-kinds-fundamental error-mistake of law and of fact-their effects-when does a mistake vitiate free consent and when does it not vitiate free consent ?
- 1.7. Legality of objects :
- 1.7.1. Void agreements-lawful and unlawful considerations, and objects-void, voidable, illegal and unlawful agreements and their effects.
- 1.7.2. Unlawful considerations and objects :
 - 1.7.2.1. Forbidden by law.
 - 1.7.2.2. Defeating the provision of any law.
 - 1.7.2.3. Fraudulent.
 - 1.7.2.4. Injurious to person or property.
 - 1.7.2.5. Immoral
 - 1.7.2.6. Against public policy.
- 1.7.3. Void Agreements:
 - 1.7.3.1. Agreements without consideration.
 - 1.7.3.2. Agreements in restraint of marriage.
 - 1.7.3.3. Agreements in restraint of trade-its exceptions-sale of goodwill, section 11 restrictions, under the partnership Act, trade combinations, exclusive dealing agreements, restraints on employees under agreements of service.
 - 1.7.3.4. Agreements in restraint of legal proceedings-its exceptions.
 - 1.7.3.5. Uncertain agreements.
 - 1.7.3.6. Wagering agreement-its exception.
- 1.8. Discharge of a contract and its various modes.
 - 1.8.1. By performance-conditions of valid tender of performance-How? By whom? Where? When ? In what manner ? performance of reciprocal promises-time as essence of contract.
 - 1.8.2. By breach-anticipatory breach and present breach.



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- 1.8.3. Impossibility of performance-specific grounds of frustration-application to leases-theories of frustration-effect of frustration-frustration and restitution.
- 1.8.4. By period of limitation.
- 1.8.5. by agreement-rescission and alteration – their effect-remission and waiver of performance-extension of time-accord and satisfaction.
- 1.9. Quasi-contracts or certain relations resembling those created by contract.
- 1.10. Remedies in contractual relations :
 - 1.10.1. Damages-kinds-remoteness of damages-ascertainment of damages.
 - 1.10.2. Injunction-when granted and when refused-Why?
 - 1.10.3. Refund and restitution.
 - 1.10.4. Specific performance-When ? Why ?

2. Government as a Contracting Party.

Constitutional provisions-government power to contract-procedural requirements-kinds of government contracts-their usual causes-performance of such contracts-settlements of disputes and remedies.

3. Standard Form Contracts.

Nature, advantages-unilateral character, principles of protection against the possibility of exploitation-judicial approach to such contracts-exemption clauses-clash between two standard form contracts-Law Commission of India's views.

4. Multi-national Agreement.

5. Strategies and constraints to enforce contractual obligations.

- 5.1. Judicial methods-redressal forum, remedies.
- 5.2. Other methods like arbitration, Lok Adalat, Nyaya Panchayat and other such non formal methods.
- 5.3. Systemic constraints in settling contractual disputes.
- 5.4. Court fees, service of summons, injunctions, delay.

Select Bibliography.



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1. Avtar singh, law of Contract (2000)Eastern, Lucknow.
2. Anand and Aiyer, law of Specific Relief (1999), Universla.
3. Law of Contract (Studer Edition) – D.F. Mulla



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FACULTY OF:- LAW
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SEMESTER:-IV
CODE:- 4LW02CNT2
NAME:- CONTRACT LAW - II

Teaching and Evaluation Scheme:-

Subject Code	Name of the Subject	Teaching Scheme (Hours)				Credits	Evaluation Scheme							
		Th	Tu	Pr	Total		Theory				Practical (Marks)			Total
							Sessional Exam		University Exam		Internal		University	
							Marks	Hrs	Marks	Hrs	Pr/Viva	TW	Pr	
4LW02CNT2	CONTRACT LAW II	5	0	0	5	5	30	1.5	70	3	---	---	---	100

PAPER-2 Contract –2

(Indemnity Guarantee, Bailment, Pledge, Agency, Partnership, Sale of Goods)
100

Syllabus.

1. Indemnity.

- 1.1. The concept.
- 1.2. Need for indemnity to facilitate commercial transactions.
- 1.3. Methods of creating indemnity obligations.
- 1.4. Definition of Indemnity.
- 1.5. Nature and extent of liability of the indemnifier.
- 1.6. Commencement of liability of the indemnifier.
- 1.7. Situations of various types of indemnity creations.
- 1.8. Documents/agreements of indemnity.
- 1.9. nature of indemnity clauses.
- 1.10. Indemnity in cases of International Transactions.
- 1.11. Indemnity by governments during interstate transactions.

2. Guarantee.

- 2.1 The concept.



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- 2.2 Definition of guarantee: as distinguished from indemnity.
 - 2.3 Basic essentials for a valid guarantee contract.
 - 2.4 The place of consideration and the criteria for ascertaining the existence of consideration in guarantee contracts.
 - 2.5 Position of minor and validity of guarantee when minor is the principal debtor, creditor or surety.
 - 2.6 Continuing guarantee.
 - 2.6.1. Nature of surety's liability.
 - 2.6.2. Duration and termination of such liability.
 - 2.7. Illustrative situations of existence of continuing guarantee.
 - 2.7.1. Creation and identification of continuing guarantees transactions.
 - 2.8 Rights of surety:
 - 2.8.1. Position of surety in the eye of law.
 - 2.8.2. Various judicial interpretations to protect the surety.
 - 2.9. Co-surety and manner of sharing liabilities and rights.
 - 2.10. Extent of surety's liability.
 - 2.11 Discharge of surety's liability.
- 3. Bailment.**
- 3.1. Identification of bailment contracts in day today life.
 - 3.1.1. Manner of creation of such contracts.
 - 3.2. Commercial utility of bailment contracts.
 - 3.3. Definition of bailment.
 - 3.4 Kinds of Bailees.
 - 3.5 Duties of Bailor and Bailee towards each other.
 - 3.6 Rights of bailor and bailee.
 - 3.7 Finder of goods as a bailee.
 - 3.7.1. Liability towards the true owner.
 - 3.7.2. Obligation to keep the goods safe.
 - 3.7.3. Right to dispose off the goods.
- 4. Pledge.**
- 4.1. Pledge: comparison with bailment.
 - 4.2. Commercial utility of pledge transactions.



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- 4.3 Definition of pledge under the Indian contract Act.
 - 4.4 Other statutory regulations(State & Centre) regarding pledge, reasons for the same.
 - 4.5 Rights of the pawner and pawnee.
 - 4.5.1. Pownee's right of sale as compared to that of an ordinary bailee.
- Pledge by certain specified persons mentioned in the Indian contract Act.

5. Agency.

- 5.1. Identification of different kinds of agency transactions in day to day life in the commercial world.
- 5.2. Kinds of agents and agencies.
 - 5.2.1. Distinction between agent and servant.
- 5.3. Essentials of a agency transaction.
- 5.4. Various methods of creation of agency.
- 5.5. Delegation.
- 5.6. Duties and rights of agent.
- 5.7. Scope and extent of agent's authority.
- 5.8. Liability of the principal for acts of the agent including misconduct and tort of the agent.
- 5.9. Liability of the agent towards the principal.
- 5.10. personal liability towards the parties.
- 5.11. Methods of termination of agency contract.
- 5.12. Liability of the principal and agent before and after such termination.

6.

Partnership.

- 6.1 Nature of partnership: definition.
- 6.2 Distinct advantages and disadvantages vis-à-vis partnership and private limited company.
- 6.3. Mutual relationship between partners.
- 6.4. Authority of partners.
- 6.5. Admission of partners.
- 6.6. Outgoing of partners.
- 6.7. Registration of Partnership.
- 6.8. Dissolution of partnership.



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- 7. Sale of Goods.**
- 7.1. Concept of sale as a contract.
 - 7.2. Illustrative instances of sale of goods and the nature of such contracts.
 - 7.3. Essentials of contract of sale.
 - 7.4. Essential conditions in every contract of sale.
 - 7.5. Implied terms in contract of sale.
 - 7.6. The rule of caveat emptor and the exceptions thereto under the Sale of Goods Act.
 - 7.7. Changing concept of caveat emptor.
 - 7.8. Effect and meaning of implied warranties in a sale.
 - 7.9. Transfer of title and passing of risk.
 - 7.10. Delivery of goods: various rules regarding delivery of goods.
 - 7.11. Remedies for breach of contract.

Select bibliography:

- 1. Avtar Singh, Contract Act (2000), Eastern, Lucknow.
- 2. J.P.Verma (ed.), Singh and Gupta, The Law of Partnership in India (1999), Orient Law House, New Delhi.
- 3. Bhashyam and Adiga, The Negotiable Instruments Act (1995), Bharath, Allahabad.
- 4. Saharay, h.k., Indian Partnership and Sale of Goods Act(2000), Universal.
- 5. Sale of Goods Law – Aggarwal.
- 6. Law of partnership – S.T. Desai.