

**DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD**

Advanced Diploma in Alternative Dispute Resolution (Batch 2021 – 2022)

Take Home – Annual Examination (June, 2022)

Paper II – 1.2. Law of Contracts

TOTAL MARKS: 100

INSTRUCTIONS TO CANDIDATES

- a) Read the instructions for Take Home Examination carefully and adhere to the same.
 - b) *Please mention your name, ID No., subject name and total number of pages on the Answer Sheet.*
 - c) *Clearly indicate the question numbers while answering them.*
 - d) *Answer all the four questions and each question carries 25 marks.*
 - e) *The approximate word limit for a 25 marks question is 800-1000, for a 15 marks question, 600-700, for a 10 marks question 400-500 and for a 5 marks question 200-250.*
 - f) *All the candidates are required to submit only word / Pdf files containing the typed answers.*
 - g) *All papers will be uploaded on Turn-it-in for plagiarism check. Any paper with more than 15% similarity will be considered to be plagiarized and shall not be evaluated.*
 - h) *Since this is a take home exam, we expect your answers to be analytical rather than straight answers.*
 - i) Copying from any source including from other students is strictly prohibited. Plagiarism is considered as a serious academic mis-conduct and the University will take action as it deems fit.
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Q.1. It is a settled law that a stranger to a contract cannot enforce it. This may result in injustice in some situations. Explain the rationale behind the doctrine of privity of contract and discuss the exceptions to the doctrine under the Indian law with the help of important judicial decisions. **(25 Marks)**

Q.2. As per Section 27 of the Indian Contract Act an agreement in restraint of trade is void. What are the reasons for enacting such a provision? Furthermore, when is a restraint upon trade permissible in India and what factors are taken into consideration by a court so to decide whether a restriction is permissible? **(25 Marks)**

Q.3. Explain the doctrine of frustration with the help of relevant cases and provisions of law. Is it different from a force majeure clause in a contract? If yes then explain. **(25 Marks)**

Q.4. An irrevocable commitment either in the form of confirmed bank guarantee or irrevocable letter of credit is the life blood of international commerce hence must be honored. Explain their nature and the obligation of the bank to honor them. When can a bank refuse payment of the above mentioned guarantee or letter of credit? Discuss the factors a court take into account (i.e. how it decides) before granting an injunction restraining the enforcement of the above mentioned irrevocable commitments. **(25 Marks)**