

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

Post-Graduate Diploma in Alternative Dispute Resolution (Batch 2019 – 2020)

Take Home – Supplementary Examination (January, 2021)

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 answer for the 25 marks question should be written in 1200 - 1500 words.*
 - f) *Since this is a take home exam, we expect your answers to be analytical rather than straight answers.*
 - g) 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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1. What do you understand from an invitation to make an offer? Explain with the help of important case law. What is the criterion to distinguish it from an offer? **(25 marks)**
2. Critically examine the law related to acceptance of an offer in India, including the postal rule of communication. **(25 marks)**
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)**
4. Mr Ajay Sharma is a well-known chef. He enters into an employment agreement with Paradise Food Court Pvt. Ltd. (PFC), a well-known restaurant in Hyderabad. He is employed by PFC for 5 years at a salary of 3 lakh rupees per month with a yearly hike of 10%. According to clause no. 7 he cannot work for any other company or firm or business enterprise in any capacity in any part of the country during these 5 years. It is remarkable here that PFC's business is confined to Hyderabad only.

According to clause no. 8 his contract can be renewed after 5 years. But if he chooses not to renew it, he cannot work with any restaurant or hotel situated in Hyderabad for a period of 1 year.

Ajay is told by one of his friends that both these clauses are void as they are in restraint of trade. What is your opinion? Discuss and decide with the aid of relevant provisions of law and cases. **(25 marks)**