

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

**Advanced Diploma in Alternative Dispute Resolution
P.G. Diploma in Alternative Dispute Resolution**

Academic Year: 2022-2023

Annual Examination (June, 2023)

Paper II – 1.2. Law of Contracts

Duration of the Examination : 3 hours

TOTAL MARKS: 100

INSTRUCTIONS TO CANDIDATES

- a) Read the instructions carefully and adhere to the same.
- b) Please mention your DDE ID No., date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.
- c) The questions to be interpreted as given and no clarification can be sought from the Invigilator.
- d) Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.
- e) Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.
- f) Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.
- g) Copying is strictly prohibited and is considered as a serious academic mis-conduct and the University will take action as it deems fit.

Answer all the four questions and each question carries 25 marks.

Q.1. Explain the essential elements of a valid of a contract. **(25 Marks)**

Q.2. Write short notes on the following: **(5x5 Marks=25 Marks)**

- (a) Standing offer
- (b) Void and Voidable contract
- (c) Standard Form Contract.
- (d) Liquidated damages
- (e) Contingent contract

Q 3. Explain the circumstances when a contract gets discharged. **(25 Marks)**

Q.4. Mr. X stands as a surety for a loan of 50 lakh rupees taken by Mr. Y. Y fails to pay the amount and because of interest it becomes 70 lakhs. The bank sues X the surety for the recovery of the amount. X puts forward the following two defences:

- (i) That first the bank should recover the amount from the Y and his liability would arise only if the bank cannot recover the amount form him.
- (ii) He is liable to pay 50 lakhs only and not 70 lakhs.

Give your opinion with respect to the above mentioned defences made by Mr. X with the aid of relevant provisions of law and cases. **(25 Marks)**