

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

**Take Home – Supplementary Examination (November 18-21, 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) *All the candidates are required to submit only word / Pdf files containing the typed answers.*
  - f) *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.*
  - g) *Since this is a take home exam, we expect your answers to be analytical rather than straight answers.*
  - h) 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.
- 

**Q. 1.** Explain the development of law with respect to mistake of identity of a party to the agreement. **[Marks-25, Word limit Max. 2 pages]**

**Q 2.** A is working with a company Panasonic Security Systems (PSS) which is into the production of security equipments. A is working at a level where he becomes privy to sensitive information related to the gadgets manufactured by the company.

The employment agreement between them provides that

**I (a)** A is hired for a period of 4 years. During this period he cannot work in any capacity for any company dealing in security equipments.

**I(b)** Also he cannot work with any company doing any type of business anywhere.

**II (a)** At the end of 4 years he has a choice to continue. If he decides to leave he has to give an advance notice of 3 months. During this period he cannot come to the office and also cannot join any other organization. He shall be entitled to his full salary during the said period.

**II (b)** After the notice period he can join his new employer immediately, provided the new employer is not dealing in security equipments. If the new employer deals in security equipments, he i.e. (A) cannot join for a further period of 3 month. However he is entitled to his last drawn salary during the said period.

Decide the legal validity of the above mentioned clauses with the aid of relevant provisions of law and cases. **[Marks-25, Word limit Max. 2 pages]**

**Q 3.** An agreement opposed to public policy is void. But courts must be extremely careful in applying this doctrine, because “it is a very unruly horse, once you get astride you never know where it will carry you”. Discuss the test laid down by the courts for declaring an agreement void on account of public policy. Critically analyse the various heads of public policy.

**[Marks-25, Word limit Max. 2 pages]**

**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. **[Marks-25, Word limit Max. 2 pages]**