

DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

Post-Graduate Diploma in Alternative Dispute Resolution (Batch 2020 – 2021)

Take Home – Supplementary Examination (November, 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 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.

1. **(A)** Critically examine the postal rule of communication. **(10 Marks)**

(B) What do you understand from the doctrine of promissory estoppel and when does it apply? **(15 Marks)**

2. Teach India is an organization devoted to the cause of promoting education in rural India. They are looking for a building from where they can operate. They approach Mr. Dhanpat Rai a rich business man known for his generosity and commitment towards society. Mr. Rai's friend has a building which is very suitable for Teach India to operate. Mr. Rai agrees to help Teach India in getting this building. Mr. Sahai asks for an amount of 50 lakhs for the building. Mr. Rai agrees to pay the said amount and tells Mr. Sahai to transfer the building in the name of Teach India. They enter into an agreement which is signed by all the three parties. Due to some reasons Mr. Sahai informs Mr. Rai that he has changed his mind. Teach India wants to enforce this agreement. Can they enforce this agreement? What

would be your answer if the said agreement is between Mr. Rai and his friend and Mr. Rai inform Teach India that Mr. Sahai has agreed to transfer the land to them? Discuss and decide with the help of relevant provisions of law and cases. **(25 Marks)**

3. 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 from 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. **(25 Marks)**

4. **(A)** What does amount to a breach of a contract? Explain the concept of anticipatory breach? **(15 Marks)**

(B). Distinguish between contracts of indemnity and guarantee? **(10 Marks)**