**B.COM – BANKING AND INSURANCE**

**18 UBI 308 - BUSINESS LAW**

**K1 - LEVEL**

**UNIT – 1**

**SECTION - A**

**MULTIPLE CHOICE QUESTIONS – K1 LEVEL**

1. Law of contract in India is contained in
   **a) The Indian Contract Act 1872**
   b) The Indian Contract Act 1972
   c) The Indian Contract Act 1930
   d) The Indian Contract Act 1932
2. The Indian Contract Act applies to :
   **a) Whole of Indian expect the State of Jammu and Kashmir**
   b) Whole of India including the State of Jammu and Kashmir.
   c) Whole of India except Goa, Daman, Diu
   d) Whole of India including Goa, Daman, Diu
3. The Indian Contract Act came into force on
   a) 1 st September 1972
   b) 1 st July 1932
   **c) 1 st September 1872**
   d) 1 st July 1930
4. A jus in personam means a right against
   **a) A specific person**
   b) The public at large
   c) A specific thing
   d) None of these
5. An offer is
   a) a suggestion by one person to another
   b) **expression of willingness by a person to another to do something in order to obtain assent of the other person**
   c) communication of willingness of a person to another person
   d) an intention of a person to do or to abstain from doing an act
6. A proposal when accepted becomes a
   **a) Promise**
   b) Contract
   c) Offer
   d) Acceptance
7. Cross offers by two parties to each other
   a) amount to acceptance of one's offer by the other
   **b) do not amount to acceptance of one's offer by the other**
   c) amount to an agreement
   d) amount to a contract
   a) General offer

b) Cross offer
c) Counter offer
**d) Special offer**

8. When a proposal is accepted, it becomes
**a) promise**
b) contract
c) Legal promise
d) tentative agreement
9. A person to whom proposal is made is called
a) promisee
b) acceptor
**c) offeree**
d) promisor
10. A promise is
a) a valid offer
b) a contract
**c) an accepted offer**
d) a valid agreement

**UNIT – II**

**MULTIPLE CHOICE QUESTIONS – K1 LEVEL**

1. Consideration means
**a) doing or abstaining from doing something at the desire of the promisor**
b) doing or abstaining from doing something voluntarily
c) doing or abstaining from doing something which he promisee is already under a duty to do
d) all of the above
2. Consideration is
**a) something in return**
b) something of value
c) something invaluable
d) doing something voluntarily
3. An agreement made without consideration is
a) valid
b) voidable
c) illegal
**d) void**
4. Consideration
**a) need not be adequate**
b) need not be real
c) need not have monetary value
d) need not be certain
5. Which of the following persons do not fall under the category of persons of unsound mind?
**a) Alien** b) Idiot c) Lunatics d) Drunken persons
6. Minor’s agreement is
**a)void from beginning** b) voidable c) void when court declares it void d) valid
7. Consent means parties agreeing on

a) the terms of contract b) something about a contract **c) the something in the same sense** d) the method of performance of contract

8. Free consent means
   a) parties agreeing on the same thing in the same sense
   b) parties agree to do something
   **c) parties willfully agree on the same thing in the same sense**
   d) either a) or b)
9. Undue influence involves
   a) use of physical pressure
   **b) use of position to obtain an unfair advantage over the other**
   c) none of these
   d) a threat.
10. Fraud means
    a) a false representation of fact made innocently with a view to deceive the other party
    b) a false representation of fact made willfully without any intention to receive the other party
    **c) a false representation of fact made willfully with a view to deceive the other party**
    d) none of these.

**UNIT- III - MULTIPLE CHOICE QUESTIONS – K1 LEVEL**

1. A contract based on happening or non-happening of some event which is collateral to contract is called
   a) Wagering contract **b) Contingent contract** c) Uncertain contract d) Illegal contract
2. A contingent contract may be ____________
   a) Void from beginning **b) Void subsequently when event becomes impossible to happen** c) Voidable d) Unlawful
3. Performance of contract means:
   a) Fulfilling all the obligations by a party
   b) Fulfilling all the obligations by the promisor
   **c) Performing all the promises and fulfilling all the obligations by all the parties**
   d) Both a) and b)
4. When a party to a contract transfers his contractual rights to another, it is :
   a) rescission of contract b) discharge of contract c) waiver of contract **d) assignment of contract**
5. When a valid tender of goods is not accepted, it is called
   a) actual performance **b) attempted performance** c) no performance d) discharge of contract
6. Quantum meruit means:
   a)A non-graduations promise **b) As much as is earned**
   c) An implied promise d) As much as is paid
7. A contract is discharged:

   a) When all the parties perform their promises.

   b) When performance of contract becomes impossible

   c) When one party makes a breach of contract

   **d) In all the above cases**

8. A contract is discharged by remission:

a) When a party waives all his rights under a contract

b) When a party cancels an existing contract

**c) When a party accepts lesser performance in discharge of a whole obligation**

d) When a party makes novation of a contract.

9. Anticipatory breach of a contract takes place:

a) During the performance of the contract b) At the time when the performance is due

**c) Before the performance is due** d) At the time when the contract is entered into.

10. The damages which can be claimed only when the special circumstances are communicated to the promisor are called:

a) Ordinary damages b) Exemplary damages **c) Special damages** d) Nominal damages

**UNIT – IV**

## SECTION – C

**MULTIPLE CHOICE QUESTIONS – K1 LEVEL**

1. The person who gives the indemnity is known as
a) Indemnity-holder b) Surety **c) Indemnifier** d) Principal debtor
2. A contract of Indemnity is a

**a) Contingent contract** b) Wagering contract c) Quasi-contract d)Void agreement

3. A contract to perform the promise or discharge the liability of a third person is case of his default is called ________________

**a) Guarantee** b) Indemnity c) Agency d) consideration

4. In a contract of guarantee, a person who promises to discharge another's liability, is known as
a) Principal debtor b) Creditor **c) Surety** d) Indemnifier
5. The right of subrogation in a contract of guarantee is available to the:
a) Creditor b) Principal debtor **c) Surety** d) Indemnifier
6. The delivery of goods by one person to another for some specific purpose is known as:
**a) Bailment** b) Hypothecation c) Pledge d) Mortgage
7. A bailee has:
**a) a right of particular lien over the goods bailed.**
b) a right of general lien
c) a right of both particular and general lien
d) no lien at all over the goods bailed
8. A gratuitous bailment is one which is :
a) supported by consideration **b) not supported by consideration**
c) not enforceable by law d) void
9. The delivery of goods by one person to another as security for the repayment of a debt, is known as:
a) Bailment b) Hypothecation **c) Pledge** d) Mortgage
10. The position of the finder of lost goods is that of a :

a) Bailor **b) Bailee** c) Surety d) Principal debtor

**UNIT- V - MULTIPLE CHOICE QUESTIONS – K1 LEVEL**

1. A person appointed to contract on behalf of another person, is known as:
   a) Principal **b) Agent** c) Servant d) Contractor
2. A mercantile agent to whom the possession of the goods is given for the purpose of selling the same, is known as:
   a) Broker **b) Factor** c) Commission agent d) Insurance agent
3. A person appointed by the original agent to act in the business of agency, but under the control of original agent, is known as:
   a) Agent b) Del credere agent c) Substituted agent **d) Sub-agent**
4. Where one person allows another person to assume an appearance of authority to act on his behalf, such a position is known as
   a) Express authority b) Implied authority **c) Ostensible authority** d) None of these
5. Where the agent contracts for a principal who is not competent to contract, in such a case, the agent is
   **a) Personally liable** b) Not personally liable c) Exceeding authority

   d) None of these
6. Sale of goods Act was passed in the year ________.
   **a)1930** b)1935 c)1932 d)1872
7. The sale of goods act extends to
   a) Whole of India
   **b) Whole of India except Jammu and Kashmir**
   c) Whole of India except /Jammu and Kashmir and Dadra and Nagar Haveli
   d) Whole of India except Lakshadweep
8. A contract of sale of contingent goods is
   a) Sale **b) Agreement to sell** c) Unlawful d) All of the above
9. Agreement to sell is
   a) Executed contract **b) Executory contract** c) Sale d) Implied contract
10. A contract of sale of goods includes
    a) Sale only b) Agreement to sell only **c) Both a) and b)** d) Barter

**K2 – LEVEL**

**UNIT – I - SHORT ANSWERS – K2 LEVEL**

1. **Define Contract.**
   An agreement which creates legal obligations is a contract. The obligation is an undertaking to do or abstain from doing some definite act or acts. Section 2(h) of the Indian Contract Act 1872 defines a contract as " An agreement enforceable by law is a contract".
2. **What is mean by express contract?**
   Sec 9 Provides that " In so far as the proposal or acceptance of any promise is made in words the promise is said to be implied". Such contract comes into existence on account of act or conduct of the parties.
3. **Write the difference between uni lateral and bi lateral contract?**
   In certain contracts one party has to fulfill his obligations, whereas the other party has already performed his obligations. Such a contract is called 'unilateral' or 'one sided contract' or 'contract with executed consideration'. Bilateral contract is one in which the obligation on the part of both the parties to the contract are outstanding at the time of formation of the contract. It also known as contracts with executor consideration.
4. **What is mean by implied offer?**
   An offer which is expressed by conduct is called implied offer. In simple words, it is inferred from the conduct of the person or the circumstances of the particular case.
5. **What is mean by cross offer?**
   When two person make identical offers, that is, similar in terms, conditions etc, to each other without having knowledge of each other's offer, are known as cross offers. Such offers do not constitute a contract even though both the parties intend to do or not to do the same thing. It also important to note that one's offer cannot be treated as acceptance of other's offer.
6. **What is mean by counter offer?**
   When an offer is accepted on the terms and conditions other than set out by the offerer, it not an acceptance but a counter offer. A counter offer is, in fact, not only a rejection of the original offer but is also a new offer by the original offeree.
7. **Write the difference between general offer and specific offer?**
   An offer which can be accepted by anyone is called general offer. When an offer is made to a definite person, it is known as specific offer.
8. **Define acceptance.**
   Sec. 2 (b) defines acceptance as "When one person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. A proposal, when accepted becomes a promise.
9. **Who can acceptance the offer?**
   An offer can be accepted only by the person or persons for whom the offer is intended. An offer made to a particular person can only be accepted by him because he is the only person intended to accept. But, an offer made to the world at large can be accepted by any person whatsoever. To constitute a valid acceptance the assent must be communicated to the offeror.
10. **What is mean by revocation of acceptance?**
    "An acceptance may be revoked at any time before the communication of the acceptance is complete as against the acceptor but not afterwards" (Sec. 5). In fact, revocation of acceptance amounts to withdrawal of the acceptance to a proposal by the offeree himself.

**UNIT – II - SHORT ANSWERS - K2 LEVEL**

1. **Define consideration.**
   In Currie Vs Misa (1875), consideration was defined as "a valuable consideration in the sense of the law may consist either in some right, interest, profit or benefit accruing to one party, or some forbearance, detriment, loss or responsibility given suffered or undertaken by the other".
2. **What do you mean by capacity of contract?**
   The term capacity to contract is defined in sec 11 of the Indian contract which reads as under: "Every person is competent to contract who is of the age of the majority according to the law to which he is subject , and who is of sound.
3. **What do you mean by alien enemies?**
   All persons other than Indian citizens are aliens. An alien is a person who is a foreigner to the land. He may be either an 'alien friend' or an 'alien enemy. 'Alien friend can contract but an alien enemy can't contract.
4. **What do you mean by 'coercion'?**
   Coercion means forcibly compelling a person to enter into a contact. Coercion is threat or force used by one party against the other for making him to enter into an agreement.
5. **Define free consent.**
   Free consent defined in section 14 reads as follows: consent is said to be free when it is not caused by coercion, undue influence, fraud, misrepresentation and mistake.
6. **What do you mean by Undue influence?**
   The term 'undue influence' means the unfair use of one's superior power in order to obtain the consent of a person who is in a weaker position.
7. **What do you mean by "Uberrimae Fidei" contracts?**
   Uberrimaefidei contracts are contracts where law imposes upon the parties the duty of making a full disclosure upon the parties the duty of making a full disclosure of all material facts. In such contracts, if one of the parties has any information concerning the subject matter of the transaction which is likely to affect the willingness of the other party to enter into the transaction, he is bound to disclose the information.
8. **Write the difference between bilateral and unilateral mistake?**
   Mistakes may be defined as an erroneous belief concerning something. Bilateral mistake may be defined as a mistake in which both the parties to an agreement are confused about the facts which are essential to the agreement. Unilateral mistake may be defined as a mistake in which only one of the parties to an agreement is confused about the facts which are essential to the agreement.
9. **What do you mean by 'Misrepresentation'?**
   A representation which is false or misleading is known as misrepresentation. A false representation may be made by a person either (a) innocently or (b) intentionally. (i.e willfully or deliberately)
10. **Who are all the persons disqualified by law for entering into a contract?**
    Alien enemies, Foreign sovereigns and ambassadors, Convicts, Insolvents, Married women, Professional persons, Corporations and companies.

## UNIT – III - SHORT ANSWERS - K2 LEVEL

1. **Define contingent contract.**
   Section 31 of the Indian Contract Act defines a contingent contract as "A contingent contract is a contract to do or not to do something, if some event collateral to such contract does or does not happen". Thus it is a contract the performance of which is dependent upon the happening or non-happening of uncertain event collateral to such contract.

2. **Write any two differences between contingent contract and wagering agreement?**
   Contingent contract is perfectly valid and can be enforced in a court of law where as wagering agreement is absolutely void and cannot be enforced in a court of law. A contingent contractis not of a wagering nature. A wagering agreement is essentially of a contingent nature.
3. **What do you mean by Quasi-Contract?**
   Quasi-contract is a kind of contract by which one party is bound to pay money in consideration of something done or suffered by the other party. These contracts are based on the maxim. i.e. no man must grow rich out of another person's cost.
4. **Name the persons who should perform the contract.**
   The promisor himself
   The Agent
   The legal representative
   The third person
   The joint promisors
5. **What do you mean by attempted performance?**
   Attempted performance is also known as offer to performance or tender. A contract need not be actually performed. A valid offer of performance is considered to be performance itself. Sometimes the party who is bound to perform a promise under a contract is ready and willing to perform it at the proper time and place. Thus willingness of the pary is known as "Attempted performance" or "Offer to perform" or "Tender".
6. **What is mean by performance of contract?**
   Performance of contract means fulfilling of their respective legal obligations created under the contract by both the promisor and promise.
7. **Name the two modes of performance of contract.**
   The contracts may be performed by anyone of these modes.
   - Actual performance
   - Attempted performance or Tender or Offer to perform
8. **Define reciprocal promises?**
   Under Section 2(f), "Promises which form the consideration or a part of consideration for each other are called reciprocal promises".
9. **List out the various modes of discharge of contract.**
   Following are the various modes in which a contract may be discharged
   By Performance
   By Agreement
   By Impossibility of performance
   By Lapse of time
   By Operation of Law
   By Breach of Contract
10. **Name the various remedial methods followed for breach of contract.**
    In case of breach, the aggrieved or injured party has one or more of the following remedies:
    Suit for Rescission
    Suit for Damages
    Suit for Quantum Meruit
    Suit for Specific performance
    Suit for Injunction

**UNIT – IV - SHORT ANSWERS - K2 LEVEL**

1. **What is Contract of Indemnity?**
   "A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself or by the conduct of any other person, is called a contract of indeminity".
2. **Name the parties in contract of Indemnity.**
   A contract of Indemnity has two parties, viz., the promisor or the indemnifier and the promise or the indemnified or the indemnity – holder. A person who promises to make good the loss, that is, the promisor is called the indemnifier and the person whose loss is to be made good, that is , the promise is called the indemnity – holder
3. **Name the parties in contract of Guarantee.**
   In contract of guarantee there are three parties – the principal debtor, the creditor and the surety.
   Principal debtor – The person for whom the guarantee is given is called the principal debtor.
   Surety - The person who gives the guarantee is called the surety.
   Creditor - The person to whom the guarantee is given is called the creditor.
4. **Name the two types of Guarantee.**
   Mainly there are two types of contract of guarantee.
   They are i) Simple or Specific guarantee and ii) Continuing guarantee
   Simple guarantee is one in which guarantee is given for a single specific debt or transaction. It comes to an end as soon as the liability under that transaction ends. A guarantee which extends to a series of transactions is called a continuing guarantee.
5. **What do you mean by Quiatimet action?**
   The surety has a right at any time after the guaranteed debt has become due and before he is called upon to pay, to require the creditor to sue for and recover the guaranteed debt. This is called the right to quiatimet action.
6. **Write the difference between bailor and bailee?**
   The person delivering the goods is called the Bailor. The person to whom they are delivered is called the Bailee. The transaction is called Bailment.
7. **What do you mean by Gratuitous Bailment?**
   On the basis of reward, bailment is classified into two:
   Gratuitous Bailment, Non-gratuitous Bailment.
   Gratuitous bailment is one in which neither the bailor nor the bailee is entitled to any remuneration, for example, A gives his book to B for reading.
8. **List out any four duties of Bailor.**
   To disclose known defects
   To bear expenses (gratuitous)
   To bear extra – ordinary expenses ( Non – gratuitous)
   To receive back the goods
   To indemnify the bailee
9. **What do you mean by Pledge or Pawn?**
   Pledge or pawn is a special kind of bailment where a thing is delivered as security for the repayment of a debt. "The bailment of goods as security for payment of a debt or for performance of a promise, is called pledge. The bailor in this case is called the pawnor. The bailee is called the pawnee".
10. **Write the difference between pledge and bailment?**
   In case of default, the pawnee may retain the goods. He can sell the goods. The bailee can retain the goods bailed but he cannot sell it. pawnee has no right to use the goods but bailee may use the goods bailed as per the terms of the contract.

**UNIT- V - SHORT ANSWERS - K2 LEVEL**

1. **Define agent.**
   Section 182 of the Act defines that "an agent is a person employed to do any act for another, or to represent another in dealings with third person. The person for whom such act is done, or who is so represented, is called the principal.
2. **Who can appoint an Agent? or Who may be a Principal?**
   According to Section 183, "Any person who is the age of majority according to the law to which he is subject, and who is of sound mind, may employ an agent". Thus , it is essential that a principal must have contractual capacity. A minor or a person of unsound mind cannot be a principal. The agent is employed mainly to bring about a contractual relationship between the principal and third person.
3. **What are the essentials to create an agency?**
   The principal must be competent to enter into a valid contract
   Any person may become an agent.
   There should be an agreement between the principal and the agent.
   The agent must act in representative capacity.
4. **List out aspects in creation of agency.**
   Agency by express agreement
   Agency by implied agreement
   Agency by estoppels
   Agency by holding out
   Agency by necessity
   Agency by operation of law
   Agency by ratification
5. **Write the classification of agent according to the extent of their authority?**
   General agent – general agent is one who represents the principal in all matters concerning a particular business.
   Special agent – special agent is one who is appointed for a particular purpose. He has limited authority.
   Universal agent – a universal agent is one who is authorized to transact all the business of his principal of every kind and to do all the acts which the principal can lawfully do and can delegate.
6. **Write the classification of agent according to the nature of work performed?**
   On the basis of the nature of work performed the agent is classified into
   Mercantile agent and
   Non-mercantile agents.
7. **What do you mean by del credere agent?**
   He is an agent who guarantees the solvency of the buyer. He occupies the position of a guarantor as well as an agent. a del credere agent is not dropped out after establishing the link between the principal and the third person. If the other party fails to pay the price or otherwise causes damage to the principal, the del credere agent must pay compensation to the principal.
8. **Write about contract of Sale of goods act 1930.**
   The law relating to the sale of goods or movables in India is contained in the Sale of Goods Act 1930. Prior to the enactment of this act, the law relating to sale of goods was embodied in

the Indian Contract Act 1872. But the provision were found inadequate to meet the complexities of growing mercantile transaction, the Sale of goods act 1930 took birth.

9. **Write the essentials of a contract of sale?**

   Existence of two persons – buyer and seller

   Goods – the subject matter of contract

   Price – the consideration for sale of goods.

   Transfer of property (ownership)

   Contracts – all essential must be present.

10. **Write the major classification of goods?**

    Goods which from the subject matter of a contract of sale may be divided as:

    i) Existing Goods – Specific Goods

    - Ascertained Goods
    - Unascertained Goods

    ii) Future Goods

    iii) Contingent Goods

**K3- LEVEL**

**UNIT – I**

**SECTION – B**

**ANSWER THE FOLLOWING QUESTIONS – K3 LEVEL**

1. Write the short notes on Indian Contract Act 1872?
2. What are the sources of Commercial law in India?
3. Explain the classification of contract according to English law.
4. “An agreement enforceable by law is a contract” Discuss the definition.
5. Distinguish between void and voidable contract.
6. Explain the different types of an offer.
7. What are the circumstances in which an offer is terminated?
8. What is mean by communication of offer? Give the example for various modes.
9. “An acceptance to be valid must be communicated”. – Explain.
10. Explain the modes of revocation of offer.

**UNIT – II**

**SECTION – B**

**ANSWER THE FOLLOWING QUESTIONS – K3 LEVEL**

1. ”Consideration may be past, present or future” Explain with examples.
2. “Insufficiency of consideration is immaterial; but an agreement without consideration is void” – Comment.
3. Consider the doctrine of privity of contract and give an account of the exceptions to the doctrine.
4. What do you understand by capacity to contract?
5. What are the persons incompetent to make a contract by status?
6. State the law relating to the competence of the parties giving suitable examples.
7. Define consent. When is consent said to be free?
8. Define the term ‘coercion’ as used in Indian Contract Act. What are the essentials for coercion?
9. Define fraud. Differentiate fraud and misrepresentation.
10. Discuss the law relating to the effect of mistake on contract.

**UNIT – III -ANSWER THE FOLLOWING QUESTIONS – K3 LEVEL**

1. What do you understand by a contingent contract? What are the characteristics of a contingent contract?
2. Distinguish between contingent contract and a wagering agreement.
3. Explain the requisites of a valid tender.
4. Explain about the modes of performance of contract.

5. State the difference between contract and quasi contract.
6. Write short note on Breach of contract.
7. What are the circumstances under which a contract may be discharged by supervening impossibility?
8. Explain the different ways in which a contract may be discharged by mutual consent.
9. What do you understand by impossibility of performance?
10. Discuss the effect of supervening impossibility on the performance of contract.

**UNIT – IV**

**SECTION – B**

**ANSWER THE FOLLOWING QUESTIONS – K3 LEVEL**

1. Define a contract of indemnity. What are the rights of an indemnity holder when sued?
2. Write about the essentials of a valid contract of indemnity.
3. Define a contract of Guarantee. What are the essentials of a contract of guarantee?
4. What are the various kinds of a guarantee?
5. Distinguish between indemnity and guarantee.
6. Define a contract of bailment. What are its essentials?
7. Write the distinction between gratuitous and non-gratuitous bailment.
8. Write about various kinds of bailment on the basis of benefit and reward.
9. Define pledge. What are the essentials of valid pledge?
10. Write the similarities and differences between pledge and bailment.

**UNIT – V**

**SECTION – B**

**ANSWER THE FOLLOWING QUESTIONS – K3 LEVEL**

1. Define agent. What are the rules or principles of agency?
2. What are the essential features of agency?
3. Classify and explain types of agents.
4. Distinguish between sub-agent and substituted agent.
5. Explain about the duties of the principal towards his agent.
6. Explain about the rights of the principal..
7. Explain the extent of the authority of an agent?
8. When can agent be held personally liable for the acts done by him on behalf of the principal?
9. Define contract of sale. What are its essentials?
10. What the different types of goods used in a contact of sale?

**K4, K5 LEVEL**

**UNIT – I**

**SECTION – C**

**ANSWER THE FOLLOWING QUESTIONS – K4, K5 LEVEL**

1. Discuss the essential elements of a valid contract.
2. "All contracts are agreements, but all agreements are not contracts" – Discuss.
3. Explain about the various classification of contract.
4. Explain the legal rules regarding a valid offer.
5. Define acceptance, and state the legal rules governing valid acceptance.

**UNIT – II**

**SECTION – C**

**ANSWER THE FOLLOWING QUESTIONS – K4, K5 LEVEL**

1. Define Consideration. Critically discuss the essential of valid consideration.
2. "A stranger to a consideration cannot sue." - Are there any exceptions to this rule?
3. Discuss the provisions of law relating to contracts by minors.
4. Explain the persons disqualified by law to enter in to the contract.
5. Give the comparison between coercion and undue influence.

**UNIT – III**

**SECTION – B**

**ANSWER THE FOLLOWING QUESTIONS – K3 LEVEL**

1. Discuss the lawrelating to the enforcement of contingent contract.
2. What do you understand by performance of a contract? State who can demand theperformance and by whom contracts must be performed.
3. Explain the various modes in which a contract may be said to be discharged.
4. Distinguish between actual breach and anticipatory breach of contract.
5. Discuss the remedies available to an aggrieved party in case of breach of contract.

**UNIT – IV**

**SECTION – C**

**ANSWER THE FOLLOWING QUESTIONS – K4, K5 LEVEL**

1. Briefly discuss the rights of a surety against

   a) Creditor b) Principal debtor and c) Co-sureties

2. When a surety is discharged from liability.
3. Explain about the various duties of bailor and bailee.
4. Discuss the rights of bailor and bailee.
5. Explain the rights and duties of the pawner and pawnee?

**UNIT – V**

**SECTION – C**

**ANSWER THE FOLLOWING QUESTIONS – K4, K5 LEVEL**

1. Write the short notes on creation of an agency.
2. What are the rights of agent towards the principal?
3. What are the duties of agent towards the principal?
4. Discuss the different modes in which the authority of an agent may terminate.
5. Explain the differences between sale and agreement to sell.

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