

GAME CHANGER SERIES FOR CA FOUNDATION JUNE 23 STUDENTS

Test Paper no. 3: The Indian Contract Act, 1872 – Unit 3 and 4

Time: 1 Hour

Marks: 30

Question no. 1 is compulsory.

Answer any 3 of the remaining 4 questions.

- 1)
- Define Misrepresentation and Fraud. Explain the difference between Fraud and Misrepresentation as per the Indian Contract Act, 1872. (6 Marks)
 - Mere silence is not fraud" but there are some circumstances where the "silence is fraud". Explain the circumstances as per the provision of Indian Contract Act, 1872? (6 Marks)
- 2) Srishti, a minor, falsely representing her age, enters into an agreement with an authorised Laptop dealer Mr. Gupta, owner of SP Laptops, for purchase of Laptop on credit amounting ₹60,000/- for purchasing a laptop, on 1st August 2021. She promised to pay back the outstanding amount with interest @ 16% p.a. by 31st July 2022. She told him that in case she won't be able to pay the outstanding amount, her father Mr. Ram will pay back on her behalf. After One year, when Srishti was asked to pay the outstanding amount with interest she refused to pay the amount and told the owner that she is minor and now he can't recover a single penny from her. She will be adult on 1st January 2024, only after that agreement can be ratified. Explain by which of the following way Mr. Gupta will succeed in recovering the outstanding amount with reference to the Indian Contract Act, 1872.
- By filing a case against Srishti, a minor for recovery of outstanding amount with interest?
 - By filing a case against Mr. Ram, father of Srishti for recovery of outstanding amount?
 - By filing a case against Srishti, a minor for recovery of outstanding amount after she attains maturity? (6 Marks)
- 3)
- A, B, C and D are the four partners in a firm. They jointly promised to pay ₹6,00,000 to F. B and C have become insolvent. B was unable to pay any amount and C could pay only ₹50,000. A is compelled to pay the whole amount to F. Decide the extent to which A can recover the amount from D with reference to the provisions of the Indian Contract Act, 1872. (4 Marks)

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b) X received certain goods from Y and promised to pay ₹60,000. Later on, X expressed his inability to make payment. Z, who is known to X, pays ₹40,000 to Y on behalf of X. However, X was not aware of the payment. Now Y is intending to sue X for the amount of ₹60,000. Can Y do so? Advise. (2 Marks)

4) What is a wagering agreement? Describe the transactions which resembles with wagering transactions but are not void. (6 Marks)

OR

Mr. JHUTH entered into an agreement with Mr. SUCH to purchase his (Mr. SUCH's) motor car for ₹5,00,000/- within a period of three months. A security amount of ₹20,000/- was also paid by Mr. JHUTH to Mr. SUCH in terms of the agreement. After completion of three months of entering into the agreement, Mr. SUCH tried to contract Mr. JHUTH to purchase the car in terms of the agreement. Even after lapse of another three-month period, Mr. JHUTH neither responded to Mr. SUCH, nor to his phone calls. After lapse of another period of six months.

Mr. JHUTH contracted Mr. SUCH and denied to purchase the motor car. He also demanded back the security amount of ₹20,000/- from Mr. SUCH. Referring to the provisions of the Indian Contract Act, 1872, state whether Mr. SUCH is required to refund the security amount to Mr. JHUTH.

Also examine the validity of the claim made by Mr. JHUTH, if the motor car would have destroyed by an accident within the three month's agreement period. (6 Marks)

- 5)
- a) Explain any five circumstances under which contracts need not be performed with the consent of both the parties. (4 Marks)
- b) Define Coercion. (2 Marks)

1. Paper will be discussed on Unacademy CA Foundation YouTube Channel.
2. Here is the Playlist Link for entire series - <https://www.youtube.com/playlist?list=PLTzX3SfK4zG4BZ5Jn9QgL9zyekR2b0oPa>
3. Follow CA Adarsh Joshi Sir - <https://unacademy.com/@Futureofeducation>
4. Use "CAADARSH" to get maximum discount on Plus.
5. Watch One Shot Writing Practice of The Indian Contract Act, 1872 - <https://youtu.be/1TN0FGQcwU8>
6. Watch Super Chart Revision Series - <https://www.youtube.com/playlist?list=PLTzX3SfK4zG5szXMEqxOI905u21NYS6aQ>



SUPER CHART REVISION

STARTING 5TH JUNE
BUSINESS LAWS

UNACADEMY CA FOUNDATION
YOUTUBE CHANNEL



CA ADARSH JOSHI



TIME TABLE

DATE	DAY	TIME	TOPIC
05/06/23	Monday	05.00 PM TO 06.00 PM	TICA
06/06/23	Tuesday	05.00 PM TO 06.00 PM	TICA
07/06/23	Wednesday	05.00 PM TO 06.00 PM	SOGA
08/06/23	Thursday	05.00 PM TO 06.00 PM	TIPA
09/06/23	Friday	05.00 PM TO 06.00 PM	LLP
10/06/23	Saturday	05.00 PM TO 06.00 PM	COMPANIES