

Time: 1 Hour

Marks: 30

Question no. 1 is compulsory.

Answer any 3 of the remaining 4 questions.

- 1)
- a) 'X' entered into a contract with 'Y' to supply him 1,000 water bottles @ ₹5.00 per water bottle, to be delivered at a specified time. Thereafter, 'X' contracts with 'Z' for the purchase of 1,000 water bottles @ ₹4.50 per water bottle, and at the same time told 'Z' that he did so for the purpose of performing his contract entered into with 'Y'. 'Z' failed to perform his contract in due course and market price of each water bottle on that day was ₹5.25 per water bottle. Consequently, 'X' could not procure any water bottle and 'Y' rescinded the contract. Calculate the amount of damages which 'X' could claim from 'Z' in the circumstances? What would be your answer if 'Z' had not informed about the 'Y's contract?
Explain with reference to the provisions of the Indian Contract Act, 1872. (6 Marks)
- b) Explain the meaning of 'Contingent Contracts' and state the rules relating to such contracts. (6 Marks)
- 2) Seema was running a boutique in New Delhi. She has to deliver some cloth to her friend Kiran who was putting up an exhibition at Mumbai. Seema delivered the sewing machine and some cloth to a railway company to be delivered at a place where the exhibition was to be held. Seema expected to earn an exceptional profit from the sales made at this exhibition however she did not bring this fact to the notice of the railway's authorities. The goods were delivered at the place after the conclusion of the exhibition. On account of such breach of contract by railways authorities, can Seema recover the loss of profits under the Indian Contract Act, 1872? (6 Marks)
- 3)
- a) "An anticipatory breach of contract is a breach of contract occurring before the time fixed for performance has arrived". Discuss stating also the effect of anticipatory breach on contracts. (4 Marks)
- b) What are the Characteristics of a "Quasi Contract"? (2 Marks)
- 4) What do you mean by Quantum Meruit and state the cases where the claim for Quantum Meruit arises? Explain the meaning of 'Contingent Contracts' and state the rules relating to such contracts (6 Marks)

OR

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What is Quasi Contract? Elaborate the cases which are deemed as Quasi Contract.

(6 Marks)

5)

- a) X, a minor was studying in M.Com. in a college. On 1st July, 2019 he took a loan of ₹1,00,000 from B for payment of his college fees and to purchase books and agreed to repay by 31st December, 2019. X possesses assets worth ₹9 lakhs. On due date, X fails to pay back the loan to B. B now wants to recover the loan from X out of his (X's) assets. Referring to the provisions of Indian Contract Act, 1872 decide whether B would succeed. (4 Marks)
- b) Give the circumstances as to when “Vindictive or Exemplary Damages” may be awarded for breach of a contract. (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>

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