

**LL.M. DEGREE I SEMESTER EXAMINATION, NOVEMBER 2009**

**SLS 2104 FOUNDATIONS OF CONTRACTUAL LIABILITY**

Time : 3 Hours

Maximum Marks : 50

(All questions carry EQUAL marks)

(5 x 10 = 50)

- I. A. "If any single theory can explain the disparate elements of current contract law, it is perhaps the chameleon – like theory of protection of reasonable or legitimate expectations". Comment on this statement and explain how this theory is different from the classical theory.
- OR**
- B. What do you conceive to be the function of the law of contracts, and of the courts in adjudicating disputes arising from contracts? Is it merely to ensure that people honour their promises or agreements or are there deeper social and economic objectives as well?
- II. A. Explain the concepts of 'freedom of contract' and 'sanctity of contract'. To what extent they are appropriate to the modern world. Examine the recent trends.
- OR**
- B. Explain how judiciary exercises control over standard form contracts in India.
- III. A. Critically examine the doctrine of 'ultra-vires' and the principle of 'indoor management' in relation to the contractual capacity of corporations. How far they are effective in protecting the interests of third parties?
- OR**
- B. Briefly explain the public law and private law limitations of contractual capacity of government. Do you agree with the view that "the real problem with the development of law relating to governmental liability in contracts in India is that the courts try to apply the principles of private law of contracts to the public law area".
- IV. A. Distinguish between conditions and warranties. What tests can be applied to determine whether a stipulation in a contract is a condition or a warranty? What is the remedy available to a person who has suffered from a breach of a condition or warranty?
- OR**
- B. "Although the existence of the intention necessary for a 'representation' to be incorporated into the contract as a 'term', is regarded as a question of fact, some guiding principles emerge from examination of the cases". Explain.
- V. A. Explain the rules governing the incorporation and interpretation of 'exemption clauses' in contracts. Refer to judicial decisions.
- OR**
- B. What are the circumstances under which a contractual term shall be regarded as 'unfair'? What are the consequences of a term being unfair?

\*\*\*