

St. Mira's College for Girls,
(Autonomous-Affiliated to Savitribai Phule Pune University)
Class: TYBCOM
Subject: Mercantile Law
Subject Code: C 51701
SEM V
(2018-2019)

Unit : 2

Skill Development – Analytical ability- understanding provisions of contract act 1872

ST. MIRA'S COLLEGE FOR GIRLS, PUNE
 CLASS - TYBCOM- BIC 'A'
 SUBJECT- MERCANTILE LAW
 SEMESTER - V
 PLENI TEST- I (2018-19)

Date: 07-08-2018
 Name: Siravika M. Golab Total Marks: 10
Roll No.: 4212

Answer the following questions with reference to provisions of Indian Contract Act, 1872:

1. Give the definition of 'Free Consent' (1 mark)
2. Bring out the difference between Coercion and Undue Influence (2 marks)
3. Ajay agrees to supply Vijay 200 T-Shirts. Later, Ajay is unable to supply due to some reason and communicates his inability to Vijay. If time is a constraint for Vijay, What mode of discharge will the parties resort to? Explain any two types under that mode of discharge. (5 marks)
4. How does a Contract get discharged by 'Merger' (2 marks)

A1] According to Sec. 14: "Free consent is the consent which does not include the following elements:
 a) coercion b) undue Influence c) Fraud d) Misrepresentation and e) Mistake."

A2] Coercion is which is physical threat is involved and undue influence is which the superior authority dominates over the inferior ones.
 Coercion means to threaten the other party or forcefully sign the contract. undue Influence means the domination of the higher authority on the lower ones, eg: (Teacher & Student, Doctor & Patient). In the court of law the party must prove that coercion didn't take place if any complaint is there. And in undue Influence the superior authority must prove that undue influence didn't take place. If coercion or undue influence takes place then the contract becomes void.

A3] Ajay agreed to supply Vijay 200 T-shirts but later due to some reasons he was unable to supply the T-shirts on time. In this the mode of discharge which took place is lapse of time. Ajay was not able to supply T-shirts on time so time was the constraint for Vijay.

Two types under Modes of Discharge:

- Mutual Agreement: Mutual Agreement means where both the parties mutually agree to discharge the contract. It has following points.
- Novation: Novation means the substitution of an existing contract with the new contract between the same party and different parties.
- Rescission: This means the cancellation of the contract.
- Remission: It means the lesser amount of contract will be fulfilled.
- Alteration: It means that there may be small changes in the contract.
- Supervening Subsequent Impossibility: It means that the contract can be discharged due to the impossible fulfillment. It is also called Doctrine of Frustration. It has following points.
- Death of Incapacity: It means the main party who was going to fulfill the contract has fallen ill or died.
- Destruction: It means the main place or some natural calamity occurred due to which the contract has not been fulfilled.
- Declaration of war: In war like situations the contract cannot be fulfilled.

A4] Merger is when there are two parties if one party gets merged with another one then the contract gets discharged by merger.

Name and Signature of the Faculty:
 Dr. Dimple Buche

Dimple Buche



Principal Incharge
 St. Mira's College for Girls