

**NIRMA UNIVERSITY**  
**Institute of Law**  
**B.A. LL.B. (Hons.) and B.Com. LL.B. (Hons.) Programme**  
**Academic Year 2017-18**  
**Semester- V**

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<b>Course Code</b>	<b>2BL518</b>
<b>Course Title</b>	<b>Contract Law – II</b>

**Course Learning Outcomes (CLO):**

At the end of the course, students will be able to –

1. Understand the basic of specific contract.
2. Inquire about the diverse issues concerning contract in India and world around.
3. Examine the insight regarding various regulatory and legislative apparatus.
4. Analyse practical problems related to contract with critical legal aptitude.

**Syllabus**

**Lecture Hours 60**

**Unit I: Indemnity**

(6 hours)

- 1.1 Meaning, Concept and definition.
- 1.2 Need for indemnity in commercial transactions.
- 1.3 Comparative analysis of indemnity under various jurisdiction – UK & USA.
- 1.4 Nature and liability of parties under indemnity contracts.
- 1.5 Rights and liability of parties under indemnity contracts.
- 1.6 Commencement of liability.

**Unit II: Guarantee**

(8 hours)

- 2.1 Meaning, Concept and definition.
- 2.2 Basic essentials for a valid guarantee contract.
- 2.3 Guarantee for past debt & Consideration.
- 2.4 Position of minor under guarantee contracts.

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- 2.5 Extent of Surety's liability and discharge thereof.
- 2.6 Rights of Surety.
- 2.7 Kinds of Guarantee – Continuing guarantee and Bank guarantee.
- 2.8 Supreme Court guidelines on Bank guarantee.
- 2.9 Letter of Credit vis a vis Bank guarantee.
- 2.10 Distinction between indemnity and guarantee.

**Unit III: Bailment** (8 hours)

- 3.1 Meaning, Concept and definition.
- 3.2 Utility of bailment contracts.
- 3.3 Essential to the formation of bailment contract.
- 3.4 Kinds of Bailment.
- 3.5 Rights and duties of parties under bailment contract.
- 3.6 Finder of goods as a Bailee.

**Unit IV: Pledge and Pledge by Hypothecation** (8 hours)

- 4.1 Commercial utility of pledge transactions.
- 4.2 Meaning, Concept and definition.
- 4.3 Rights of the Pawner and pawnee.
- 4.4 Pawnee right of sale as compared to that of an ordinary Bailee.
- 4.5 Pledge by hypothecation – Actual and Constructive delivery.
- 4.6 Pledge by certain specified persons under Contract Act.
- 4.7 Pledge by mercantile agent.
- 4.8 Pledge by person under voidable contract.
- 4.9 Pledge by person having limited interest.

**Unit V: Agency** (8 hours)

- 5.1 Meaning and Concept of Agency and Agent – Changing trend/Judicial pronouncement.
- 5.2 Test to determine existence of agency.
- 5.3 Nature of Agency.
- 5.4 Kinds of Agent.
- 5.5 Competency (Agent/Principal).
- 5.6 Rights and Duties of parties under contract of agency.

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- 5.7 Creation and termination of Agency.
- 5.8 Undisclosed Principles and rules thereof.

## **Unit VI: Sale of Goods**

(10 hours)

- 6.1 Concept of Sales, goods and moveable property.
- 6.2 Essentials of Sale.
- 6.3 Conditions and Warranties.
- 6.4 Rule of Caveat emptor and exceptions thereof.
- 6.5 Changing concept of Caveat emptor.
- 6.6 Effect of Sale contract:-
- 6.7 Transfer of Property
- 6.8 Transfer of title.
- 6.9 Transfer of risk.
- 6.10 Unpaid Sellers and his rights.

## **Unit VII : Partnership**

(8 hours)

- 7.1 Partnership – Conceptual analysis
- 7.2 Concept of Mutual Agency.
- 7.3 Registration of Partnership firms.
  - 7.3.1 Effect of non-registration.
- 7.4 Relations of Partners inter se
  - 7.4.1 Duties of Partners
  - 7.4.2 Rights of Partners
- 7.5 Relation of Partners with Third party.
- 7.6 Authority of Partners.
- 7.7 Incoming and outgoing partners.
- 7.8 Dissolution of partnership firm.

## **Unit VIII : Drafting of Commercial Contracts**

(4 hours)

- 8.1 Rules of Drafting.
- 8.2 Different clauses under domestic and international contracts.
- 8.3 Drafting of Commercial Contracts (moveable property and service):
  - 8.3.1 International Contracts.
  - 8.3.2 Domestic Contracts.

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## Suggested Readings:

1. Avtar Singh, “*Law of Contract and Specific Relief*”, Eastern Book Company, 10<sup>th</sup> Edition, Lucknow, 2011.
2. Pollock and Mulla, *Indian Contract and Specific Relief Act*, 13<sup>th</sup> Edition, Lexis Nexis Butterworths Wadhwa, Nagpur, 2009.
3. Jill Poole, *Case Book on Contract Law*, 10<sup>th</sup> Edition, Oxford University Press, Oxford New York, 2010.
4. Dr. Madhusudan Saharay, “*Sale of Goods and Hire Purchase*”, Universal Law Publishing Co., New Delhi, 2010.
5. Robert A. Feldman, Raymond. T. Ninner, *Drafting Effective Contracts – A Practitioner’s Guide*, 2<sup>nd</sup> edition, Wolter Kluwer Law and Business – Aspen Publishers, New Delhi, 2010.
6. Dr. G C Bharuka, “*Pollock and Mulla on Indian Partnership Act*,” 7<sup>th</sup> Edition, Lexis Nexis Butterworths, New Delhi, 2007.
7. S. Krishnamurthi Aiyar, *Law Relating to The Negotiable Instruments Act*, 9<sup>th</sup> Edition. Universal Law Publishing Co., Delhi, 2005.
8. O.P. Faizi and Ashish Aggarwal – Khergamwala on the Negotiable Instruments Act, 20<sup>th</sup> edition, Lexis Nexis, Butterworth India, New Delhi, 2008.
9. Joseph Chitty, *Citty on Contracts*, Sweet and Maxwell Limited. 2011.
10. Cunningham and Shephard’s *Contract Act*, 11<sup>th</sup> edition, Law Publisher (India) Pvt. Ltd, Allahabad, 2007-08.

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