

**NIRMA UNIVERSITY**  
**INSTITUTE OF LAW**  
**B. A., LL.B. (Hons.) and B. COM., LL. B. (Hons.) Programmes**  
**Academic Year 2018-19**  
**Semester II**

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Course Code	2BL231
Course Title	Contract I

**Course Learning Outcome:**

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

1. Understand the main theoretical underpinnings and dimensions of contract law.
2. Demonstrate legal aptitude and skill, to read and interpret law and solve practical problem before them.
3. Evaluate and synthesis on different aspects and dimensions of contract law and its co-relation with other branches of law, particularly jurisprudence and business laws.

**Syllabus**

**Teaching Hours: 60**

**Unit I. Introduction**

**7 Hours**

- 1.1. Historical and Conceptual Background
  - 1.1.1 Theoretical basis of the Contract Law
  - 1.1.2 Hobbesian State of Nature and Contractual Obligation.
  - 1.1.3 Principle of Party's Autonomy & Jural Relationship
- 1.2. Meaning, Concept and definition- Agreement and Contract
- 1.3. Stages to the formation of contract

**Unit II. Proposal & Acceptance**

**7 Hours**

- 2.1. Meaning, concept, definition and essentials
- 2.2. Invitation to Proposal and Proposal
- 2.3. Communication of Proposal and Acceptance
- 2.4. Revocation of Proposal and Acceptance

w.e.f. academic year 2018-19 and onwards

### **Unit III. Consideration**

**4 Hours**

- 3.1. Meaning, concept and definition
- 3.2. Privity of Contract and consideration
- 3.3. Exception to Rule of Privity
- 3.4. Adequacy of consideration
- 3.5. Present, past and future consideration

### **Unit IV. Capacity to Contract**

**6 Hours**

- 4.1. Meaning
- 4.2. Incapacity arising out of status and mental defect
- 4.3. Minor's agreements
- 4.4. Definition of 'minor'
  - 4.4.1 Accessories supplied to a minor
  - 4.4.2 Agreements beneficial and detrimental to a minor
  - 4.4.3 Agreements made on behalf of a minor
  - 4.4.4 Minor's agreements and estoppels
  - 4.4.5 Evaluation of the law relating to minor's agreements
  - 4.4.6 Other illustrations of incapacity to contract

### **Unit V. Consent & Free Consent**

**8 Hours**

- 5.1. Its need and definition
- 5.2. Factors vitiating free consent
- 5.3. Coercion
  - 5.3.1 Definition
  - 5.3.2 Essential elements
  - 5.3.3 Duress and coercion
  - 5.3.4 Various illustration of coercion
  - 5.3.5 Doctrine of economic duress
  - 5.3.6 Effect of coercion
- 5.4. Undue Influence
  - 5.4.1 Definition
  - 5.4.2 Essential elements
  - 5.4.3 Between which parties can it exist? Who is to prove it?
  - 5.4.4 Illustrations of undue influence
  - 5.4.5 Independent advice
  - 5.4.6 Pardahanashin women
  - 5.4.7 Unconscionable bargains
  - 5.4.8 Effect of undue influence.
- 5.5. Misrepresentation
  - 5.5.1 Definition
  - 5.5.2 Misrepresentation of law and of fact
  - 5.5.3 Their effectss and illustration

w.e.f. academic year 2018-19 and onwards

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- 5.6. Fraud
  - 5.6.1 Definition
  - 5.6.2 Essential elements
  - 5.6.3 Suggestio falsi
  - 5.6.4 Suppresio Versi – when does silence amounts to fraud?
  - 5.6.5 Active
- 5.7. Concealment of truth
- 5.8. Importance of intention
- 5.9. Mistake
  - 5.9.1 Definition
  - 5.9.2 Kinds
  - 5.9.3 Fundamental error
  - 5.9.4 Mistake of law and of fact
  - 5.9.5 Their effects
  - 5.9.6 When does a mistake vitiate free consent and when does it not vitiate free consent?

## Unit VI. Legality of Object

6 Hours

- 6.1. Void agreements – Lawful and unlawful considerations and objects
- 6.2. Void, voidable, illegal and unlawful agreements and their effects
- 6.3. Unlawful considerations and objects
- 6.4. Forbidden by law
- 6.5. Defeating the provision of any law
- 6.6. Fraudulent
- 6.7. Injurious to person or property
- 6.8. Immoral
- 6.9. Against public policy
- 6.10. Agreements in restraint of marriage
- 6.11. Agreements in restraint of trade - its exception- Sale of Goodwill, section 11 restrictions, under the partnership Act, trade combinations, exclusive dealing agreements, restraints on employees under agreements of service
- 6.12. Agreements in restraint on employees under agreement of service
- 6.13. Agreements in restraint of legal proceedings – its exceptions
- 6.14. Uncertain agreements
- 6.15. Wagering agreement – its exception

## Unit VII. Performance of Contract

6 Hours

- 7.1. By performance – conditions of valid tender of performance – How? By whom? Where? When? In what manner? Performance of reciprocal promises – time as essence of contract.
- 7.2. Breach- Anticipatory breach and present breach
- 7.3. Impossibility of performance – Specific grounds of frustration – application to leases theories of frustration – effect of frustration- frustration and restitution.
- 7.4. Agreement- rescission and alteration – their effect – remission and waiver of performance – extension of time- accord and satisfaction.
- 7.5. Quasi- contracts or certain relations resembling those created by contract
- 7.6. Remedies in contractual relations:
- 7.7. Damages – kinds- remoteness of damages- ascertainment of damages

w.e.f. academic year 2018-19 and onwards



## Unit VIII. Standard Form of Contract

6 Hours

- 8.1. Meaning, Concept and Definition
- 8.2. Peculiar Characteristics of Standard Form of Contract
- 8.3. Protective Devices
- 8.4. Government Contracts as a Standard Form of Contract
- 8.5. Regulatory Mechanism

## Unit IX. International Commercial Contracts:-

3 Hours

- 9.1. Introduction
- 9.2. General Principles Governing International Contractual Obligations- Lex Mercatoria
- 9.3. UNIDROIT Principles of International Commercial Contracts, 2010

## Unit X. Specific Relief Act

7 Hours

- 10.1. Specific performance of contract-Natures and Basis
- 10.2. Contract that can be specifically enforced
- 10.3. Persons against whom specific enforcement can be ordered
- 10.4. Injunctions – Meaning, Concept and Kind

## Suggested Readings:-

1. Aiyar, S. K. (2005). *Law Relating to Negotiable Instruments Act* (9 ed.). Delhi: Universal Law Publishing.
2. Bharuka, D. G. (2007). *Pollock and Mulla on Indian Partnership Act* (7 ed.). New Delhi: Lexis Nexis Butterworths.
3. Chitty, J. (2011). *Chitty on Contracts*. London: Sweet and Maxwell Limited.
4. Faizi, O., & Aggarwal, A. (2009). *Khergamvala on the Negotiable Instruments Act* (20 ed.). New Delhi: Lexis Nexis, Butterworths India.
5. Feldman, R. A., & Nimmer, R. T. (n.d.). *Drafting Effective Contracts- A Practitioner's Guide* (2 ed.). New Delhi: Aspen Publishers.
6. Pollock, & Mulla. (2009). *Indian Contract and Specific Relief Act* (13 ed.). Nagpur: Lexis Nexis Butterworths Wadhwa.
7. Poole, J. (2010). *Case Book on Contract Law* (10 ed.). Oxford: Oxford University Press.
8. Saharay, D. M. (2010). *Sale of Goods and Hire Purchase*. New Delhi: Universal Law Publishing.
9. Singh, A. (2011). *Law of Contract and Specific Relief* (10 ed.). Lucknow: Eastern Book Company.



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