

NIRMA UNIVERSITY

Institute:	Institute of Law
Name of Programme:	B.A., LL.B (Hons.), B.Com.LL.B(Hons.), B.BA.LL.B (Hons)
Course Code:	Contract II
Course Title:	Contract II
Course Type:	Core
Year of Introduction	2020 (for B.A.,LL.B. (Hons.) and B.Com.,LL.B. (Hons.); 2026 (for B.B.A.,LL.B. (Hons.))

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Course Learning Outcomes:

After completion of the course, the students will be able to:

1. Define different types of special contracts. (BL-1)
2. Identify the basic principles applicable to special contracts. (BL-2)
3. Develop a comprehensive understanding of special contract of Indemnity, guarantee, bailment and pledge. (BL-1)
4. Identify the rights and liabilities of various parties in partnership. (BL-1)
5. Explain negotiable instruments and its advantages. (BL-3)
6. Explain the characteristics in a bill of exchange. (BL-4)
7. Appraise the procedure of dishonour of cheque. (BL-4)
8. Identify the various rights and duties of sellers and buyers under Sales of Goods Act. (BL-3)

Content

Teaching Hours: 60

Unit I Indemnity

04 Hours

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

Unit II Guarantee

08 Hours

- Meaning, Concept and definition
- Basic essentials for a valid guarantee contracts.
- Guarantee for past debt & Consideration
- Position of minor under guarantee contracts.
- Extent of Surety's liability and discharge thereof.
- Rights of Surety
- Kind of Guarantee- Continuing guarantee and Bank guarantee
- Supreme Court guidelines on Bank guarantee
- Letter of Credit vis a vis Bank guarantee
- Distinction between indemnity and guarantee.

Unit III	Bailment	04 Hours
	• Meaning, Concept and definition • Utility of bailment contracts • Essential to the formation of bailment contract • Kinds of Bailment • Rights and duties of parties under bailment contract • Finder of goods as a Bailee.	
Unit IV	Pledge and Pledge by Hypothecation	05 Hours
	• Commercial utility of pledge transactions. • Meaning, Concept and definition • Rights of the pawner and pawnee • Pawnee right of sale as compared to that of an ordinary Bailee. • Pledge by hypothecation- Actual and Constructive delivery. • Pledge by certain specified persons under Contract Act. • Pledge by mercantile agent • Pledge by person under voidable contract • Pledge by person having limited interest.	
Unit V	Agency	05 Hours
	• Meaning and Concept of Agency and Agent- Changing trend/ Judicial pronouncement • Test to determine existence of agency • Nature of Agency • Kinds of Agent • Competency (Agent/ Principal) • Rights and Duties of parties under contract of agency • Creation and Termination of Agency • Undisclosed Principles and rules thereof.	
Unit VI	Sale of Goods	12 Hours
	• Concept of Sales, goods and moveable property. • Essential of Sales. • Conditions and Warranties • Rule of Caveat emptor and exceptions thereof. • Changing concept of Caveat emptor. • Effect of Sales contract:- • Transfer of Property • Transfer of title. • Transfer of risk • Unpaid Sellers and his rights.	
Unit VII	Partnership	08 Hours
	<i>The Indian Partnership Act, 1932</i> • Partnership- Conceptual analysis • Concept of Mutual Agency • Registration of Partnership firms • Effect of non-registration. • Relations of Partners inter se • Duties of Partners • Rights of Partners • Relation of Partners with Third party	

	• Authority of Partners • Incoming and outgoing partners • Dissolution of partnership firm • <i>The Limited Liability Partnership Act, 2008</i>	08 Hours
Unit VIII	Negotiable Instruments • Meaning and Concept of Negotiable Instruments • On Principles and as per Negotiable Instruments Act, 1881 • Kinds of Negotiable Instruments and its formation • Parties to Negotiable Instruments and their liabilities • Rules regarding indorsement and transfer • Crossing of Cheques • Dishonour of Negotiable Instruments, Bills of Exchange, Cheques and Promissory notes: Procedure Subsequent • General and Special Provisions	
Unit IX	Drafting and Interpretation of Contracts • Rules of Drafting • Different clauses under domestic and international contracts • Drafting of Commercial Contracts (moveable property and service) • International Contracts • Domestic Contracts • Specialized and Emerging Forms of Contracts (Collective Bargaining Agreements in Entertainment Industry, Sports Contract, Infrastructure Contracts, Public-Private Contracts)	06 Hours

Self-Study:

Suggested List of

Experience:

Suggested Reading

Reference:

- Singh Avtar (2021), Law of Contract and Specific Relief, (10 th Edn.) Lucknow: Eastern Book Company.
- Pollock and Mulla (2009), Indian Contract and Specific Relief Act, (13 th Edn.) Nagpur: Lexis Nexis Butterworths Wadhwa
- Saharay Madhusudan (2010), Sale of Goods and Hire Purchase, New Delhi: Universal Law Publishing
- Aiyar Krishnamurthi S (2005), Law Relating to the Negotiable Instruments Act, (9th edn) Delhi: Universal Law Publishing Co.

Suggested Case List:

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