

and when contract contains terms of promise it one of the parties still have to perform his promise or obligation under the contract.

4. Performance of what one is legally bound to perform

There could not any more consideration for the existing duty. The performance of what one is legally bound to perform cannot be the same consideration.

For instance, A payment to witness is void under the provision of Indian Contract Act

5. Consideration must be real and not illusory :-

The consideration containing in contract must be real and not illusory which is impossible to perform.

For instance, A promises to be to produce money by magic or treasure by magic

6. Consideration must not opposed to public policy, immoral and unlawful :-

Consideration would not contain term of illegality and must not opposed to public policy and also it must not immoral in regards of society.

For eg. A promises to give job to B against payment of ₹1,00,000.

7. Consideration need not be adequate. (Refer last page)

(9 min)

Ques (a)
June-19

Provision:- According to the provisions of Indian Contract Act 1872, Section 2(d) contemplates that, "Consideration may move or proceeds from promisee or any other party on the desire of promisor. When third person performs anything for the promisor, it is called consideration. (The case law in this regard is Chinnaya vs Ramayya)

Moreover, when condition is attached with land, purchaser of land is bound by certain duties affecting land enforced by successor.

Analysis:- In this given case, though Mr. Chotelal had not given any consideration to Mr. Mohanlal. However his father has mentioned in the contract about the use of land 1 acre by his son. So, Mr. Chotelal can enforce this agreement as consideration was given by his father on his behalf. He can file a suit and get a suitable redressal.

Conclusion:- Therefore we may conclude, Mr. Chotelal can continue and carry out farming on 1 acre land on the ground of Section 2(d).

Ques(3)

Jan-24

June-22

According to the provisions of Indian Contract Act 1872, the general rule says that there is no contract where no consideration exists. Section 25 lays down, "Contract without consideration is void."

However, there are some cases i.e. exceptions where there is no consideration still forming a valid and binding contract:-

1. In the case of ~~best~~ natural love and affection
2. Promise to pay time passed debt
3. Compensation for past voluntary services
4. Bailment
5. Charity
6. Agency
7. ~~Not~~ Completed gift

1. Natural love and affection:- to form a valid contract following elements exists:-

1. It must be made out of Natural love and affection
2. It must be near relationship to each other
3. It must be in existing
4. It must be registered in court.

example → A gifted out of Natural love and affection, a necklace to his daughter and is registered.

2. Promise to pay time barred debt: when a promise is signed by the person making it, it is made to pay time barred debt which is barred by Limitation Act.

As per law a person or creditor can recover his debt within 3 years of Limitation Act.

3. Compensation for past voluntary services: where a promisor promises to pay wholly or partly for the person who has voluntarily done something for promisor.

It must contain following elements:-

1. It must be rendered voluntarily
2. It must have been rendered for the promisor
3. It must be performed in the presence of promisor
4. The promisor have intention to pay for the services.

4. Bailment: As per the terms of law, when a person gives a goods to another person for the particular purpose, it is called Bailment.

After the accomplishment of work, the goods must return or disposed off to true owner.

eg- X gives his godown keys to A for the delivery of certain goods.

5) Agency:- Where a person work on the behalf of his principal. Agent work in the name and authority of his principal where there is no consideration mandatory

6) Charity:- When a person undertakes certain liability on the promisor or promisee to donate charity, there will be valid contract.

7) Completed gift:- There is no consideration in completed gift between bailor and bailee and hence contract is invalid.

Ques (4)

Dec-22

(5 marks)

MTP-Dec 23

According to the provision of Indian Contract Act 1872, by virtue of Section 2(d) when at the desire of promisor, promisee or any other person has done anything or abstain from doing or does anything or abstain from doing, promises to do or abstain from doing, for such act or abstinence is known as consideration.

1) Agreements made out of love and affection:- It contains essential elements:-

- 1) It must be made out of Natural love & affection
- 2) It must be near relationship to each other
- 3) It must be in writing
- 4) It must be registered in court

The agreement which are made out of Natural love and affection standing near relationship to each other in registered form are valid agreements.

Example:- A father out of natural love and affection gift a necklace to his daughter and it is registered, forming valid agreement.

ii) Promise to pay time barred debt :-
where promise signed by a person making it, is made to pay time barred debt under limitation Act., forming a binding contract.

Also, creditor could recover his debt within 3 years only after it if person promise to pay, it will be valid.

Ques (3)
June-23 As per the provision of Indian Contract Act 1872, the general rule laid down, "Stranger to contract cannot sue contracting party."

The aforesaid rule is known as 'Doctrine of privity of Contract.'
→ It contains some exceptions where a stranger to a contract can enforce the agreement & sue the contracting party.

1. In the case of trust :- where a beneficiary to

the contract can enforce the agreement & suit the contracting party.

The case law under this regard is [Rammaya vs Chinnaya]

2, [In the case of family settlement]. In this case, the members of family who are ~~not~~ originally not the members of Contract can sue the contracting party and claim the compensation.
(eg) Contract between a father and son-in-law to well-treat her daughter or pay monthly. However, he is still ill-treating her. Held, daughter suit his husband who is not the party to contract.

3, [In the case of Marriage] : Stranger to contract yet sue the contracting party and can enforce the agreement

4, [In the case of assignment] : where a person assigns a document or anything to assignee and therefore assignee can enforce the agreement about previous party and can claim the damages.
eg- X assigned his Bills of exchange to A. Later on, Bill got dishonoured, A can sue the drawer of Bill before the previous parties.

5, [Acknowledgement or estoppel] : where a person signifies himself as an agent of third party and promises to pay the amount or anything.

(eg) - where A holds money for A received by B
He tells A that he has money for him on the
behalf of B. later on, A denies to pay.

Held:- A can sue B for the compensation

6. Condition precedent attached with land:-

The person purchases the land with notice
-that owner of land is bound by certain
duties affecting the land may be enforced
by successor of seller.

-> Legal rules of consideration (Refer 3rd page)

-> Consideration need not to be adequate:-

Law clearly depicts -that the consideration must
not be approximately equal to the value which
it is exchanged. It must be something which
has regards some value and hence not equal
to something given.

Section 25 states where consideration is given
freely is not merely void because it is inadequate