

CORE COURSE 104: LAW OF CONTRACT

Objectives of the course:

Every man in his day to day life from dawn to dusk makes a variety of contracts, Man's contract making activities increase with the increasing trade, commerce and industry. In a way living in a modern society would be impossible if the law did not recognize this contract making power of person. This prompted Roscoe Pound to make his celebrated observation: "Wealth, in a commercial age, is made up largely of promises . In this sense India is also a "Promissory" Society.

The conferment and protection by the law of this contract making power of person gives them a considerable leeway to strike best bargain for the contract making person. In a way they are permitted to regulate and define their relations in a best possible manner they chose. However, the contours of contractual relations in a feudal, colonial and capitalist society of pre-independence India cannot necessarily be the same in an independent and developing Indian society. Whatever may be the nature of a given society, the contractual relations as are obtained in that society, are governed by certain principles which are more or less of a general and basic nature. In India these general principles are enacted in the form of the Indian Contract Act, 1972.

This course is designed to acquaint a student with the conceptual and operational parameters of these various general principles of contractual relations.

Specific enforcement of contract is an important aspect of the law of contracts. Analysis of the kinds of contracts that can be specifically enforced and the methods of enforcement forms a significant segment of this study.

1. General Principles of Law of contract:

- a. Agreement and contract definitions, elements and kinds
- b. Proposal, Communication and revocation – proposal and invitation for proposal – floating offers
- c. Acceptance – their various forms, essential elements
- d. Consideration –its need, meaning, kinds, essential elements
- e. Capacity to Contract

2. Capacity to contract & Free Consent:

- a. Minor, Age of Majority, Nature of minor's agreement & effects
- b. thereof, Accessories supplied to a minor, Agreement beneficial and detrimental to a minor

- c. Free consent –its need and definition, Effects of force, coercion & undue influence on contract
- d. Mistake : definition – kinds- fundamental error mistake of law and of fact – their effects
- e. Legality of objects :
 - a. Unlawful Agreements: Kinds and effects thereof
 - b. Void Agreements, Uncertain Agreements, Wagering
 - c. Agreements, Illegal & Void Agreements

3. Discharge of Contract & Quasi-Contracts :

- a. Various modes of discharge of contract and effects thereof
- b. Anticipatory Breach of Contract
- c. Impossibility of performance – specific grounds of frustration – application to leases- theories of frustration – effect of frustration – frustration and restitution, by period of limitation
- d. Rescission and alteration – their effect- remission and waiver of performance – extension of time – accord and satisfaction
- e. Quasi-contracts or certain relations resembling those created by contracts, Quantum Meruit

4. Specific Relief Act

- a. Persons against whom specific enforcement can be ordered
- b. Rescission and cancellation
- c. Injunction : Temporary and Perpetual
- d. Declaratory orders
- e. Discretion and power of court

Suggested Reading

1. Beasten (Ed), Anson's Law of Contract
2. P. S. Atiya, Introduction to the Law of Contract (Claredon Law Series)
3. Avtar Singh, Law of Contract, Eastern Lucknow
4. G. C. Cheshire, and H. S. Fifoot and M. P. Formston Law Contract ELBS with
5. Butterworths.
6. M. Krishnan Nair, Law of Contract,
7. G.H. Trinel , Law of Contract Sweet & Maxwell
8. R.K. Abichandani (ed), Pollock and Mulla on the Indian contract and the Specific Relief Act, Butterworths Publication
9. Benerjee S.C. Law of Specific Relief, Universal
10. Anson, Law of Contract, Universal
11. Dutt on Contract, Universal
12. Anand and Aiyer, Law of Specific Relief, Universal. 1