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CHAPTER

LEGAL REASONING

A QUICK REVIEW

TOPIC	EXPLANATION
A priori	From the antecedent to the consequent
Ab initio	From the beginning
Actio mixta	Mixed action
Actus reus	Wrongful act.
Ad idem	At the same point.
Benami	Nameless.
Bona fide	Good faith; genuine.
Caveat emptor	Let the buyer beware.
Caveat actor	Let the doer beware.
Caveat venditor	Let the seller beware.
Corpus delicti	Body/gist of the offence.
Cy pres	As nearly as may be practicable.
Damnum sine injuria	Damage without injury.
De facto	In fact.
De jure	By right (opposed to de facto) in Law
Dehors	Outside; foreign to (French term).
De novo	To make something new; To alter.
Estoppel	Stopped from denying.
Ex parte	Proceedings in the absence of the other party.
Expressio unius est exclusio alterius	Express mention of one thing implies the exclusion of another or which is shortly put.
Ex turpi causa non oritur actio	No action arises from an illegal or immoral cause.
Ejusdem generis	Where there are general words following particular and specific words, the general words must be confined to things of the same kind as those specified.

Fatum Fait accompli Factum probandum Factum probans Ferae naturae	Beyond human foresight. Things done and no longer worth arguing against; an accomplished act. Fact in issue which is to be proved. Relevant fact. Dangerous by nature.
Generalia specialibus non derogant	General things do not derogate from special.
Habeas corpus	A writ to have the body to be brought up before the judge.
Injuria sine damno Ispo facto In promptu In posse In limine	Injury without damage. By the very nature of the case. In readiness. In a state of possibility. Initial stage; at the outset.
Jus in personam Jus in rem Jus non scriptum Jus scriptum	Right against a person. Right against the world at large. Unwritten law; Customary Law. Written Law.
Lex fori Lis Lis pendens Locus standi Lex Marcatoria	The law of the forum of court. A suit cause of action. A pending suit. Right of a party to an action to appear and be heard on the question before any tribunal. The law merchant, is a body of legal principles founded on the customs of merchants in their dealings with each other, and though at first distinct from the common law, afterwards became incorporated into it.
Mala fide Mens rea Mansuetae naturae Misnormer Mutatis mutandis	In bad faith. Guilty mind. Harmless by nature. A wrong name. With necessary changes in points of detail.
Noscitur a sociis	A word is known by its associated, one is known by his companions.
Obiter dictum Onus Probandi	An incidental opinion by a judge which is not binding. Burden of proof.
Pari passu Per se Persona non-grata	On equal footing or proportionately. By itself taken alone. Person not wanted.

Prima facie	At first sight; on the face of it.
Pro rata	In proportion.
Qui facit per alium facit per se	He who acts through another is acting by himself.
Quo warranto	A writ calling upon one to show under what authority he holds or claims an office.
Quia timet	Protective justice for fear. It is an action brought to prevent a wrong that is apprehended.
Quid pro quo	Something for something.
Ratio decidendi	Principle or reason underlying a decision.
Res ipsa loquitur	The things speak for itself.
Respondent superior	Let the principal be liable.
Res sub judice	Matter under consideration.
Res gestae	Facts relevant to a case and admissible in evidence.
Scire facias	Your cause to know.
Sui juris	Of his own right.
Simpliciter	Simply; without any addition.
Situs	Position; situation; location.
Suo motu	On its own motion.
Travaux preparatoires	Preparatory records.
Tortum	Civil wrong actionable without contract.
Uberrimae fide	Of utmost good faith.
Ubi jus ibi remedium	Where there is a right there is remedy.
Ultra vires	Beyond the scope, power or authority.
Ut lite pendente nihil innovertur	Nothing new to be introduced during litigation.
Usufructuary	One who has the use and reaps the profits of property, but not ownership.
Vis major	Act of God.
Vigilantibus et, non dormientibus, jura subveniunt	The laws help those who are vigilant and not those who are slumber or lazy.
Vice versa	The order being reversed; other way round.
Volenti non-fit injuria	Damage suffered by consent gives no cause of action.

LEGAL REASONING

1. Principle: A contract without consideration is void. When at the desire of one party, the other party does something, the consideration is said to flow from the latter to the former.

Facts: A house was on fire and a child was trapped inside the house. Everyone was shouting for help. A brave onlooker, hearing the shrieks of the child, went inside the house and brought it out. The grateful father of the child promised to pay the rescuer Rs. 25,000/-. Subsequently, he reneged the promise. The rescuer sued the promisee for the breach.

- (a) The father of the child must pay for the service rendered by the rescuer.
- (b) The rescuer is not entitled to the payment, since he acted on his own.
- (c) Commercial considerations cannot be applied to humanitarian instincts.
- (d) As there was no contract between them, so the rescuer will not get any money.

2. Principle: A contract is an agreement which the law will enforce all agreements are contracts if they are made with free consent by parties competent to contract for a lawful consideration and with a lawful object.

Factual Situation: Mr. Raja offered to buy Mr. Ram's Car for Rs. 5 lakhs but Mr. Ram refused. Subsequently, Mr. Raja threatened to kill Mr. Ram and Mr. Ram agreed to the sale. Mr. Ram subsequently rescinded from the contract. Mr. Raja's suit to enforce the contract:

Will succeed because Mr. Raja was offering lawful consideration for the car

Will succeed because buying and selling of car is lawful

Will succeed because both parties have capacity to contract

Will fail because Mr. Ram was forced to agree to the contract

3. Legal Principle: Res ipsa loquitur i.e., the thing speaks for itself.

Factual Situation: Seema got herself operated for the removal of her uterus in the defendant's hospital, as there was diagnosed to be a cyst in one of her ovaries. Due the negligence of the surgeon, who performed the operation, abdominal pack was left in her abdomen. The same was removed by a second surgery.

Surgeon cannot be held responsible because it is merely a human error.

Surgeon can be held responsible but Seema will have to prove in the court of law that the surgeon was grossly negligent.

Surgeon will be responsible and Seema need not to prove surgeon's negligence because presence of abdominal pack in her abdomen is sufficient proof thereof.

None of the above

4. Legal Principle: A violation of a legal Right, with or without damage, gives rise to a tort.

Factual Situation: Mr. Ketan establishes a coaching class for Company Secretary Students of Executive Programme and charges Rs. 10, 000/- per year as tuition fees. Mr. Ketan's neighbour Mr. Kalia establishes another coaching class for Company Secretary Students of Executive Programme thereby creating a competition between them. This forces Mr. Ketan to reduce his tuition fees to Rs. 7000/- per year. Decide Can Mr. Ketan claim damages from Mr. Kalia for the loss caused to him?

Yes, he can as Mr. Kalia has violated his Legal Right

No, Mr. Ketan has reduced the fees on his own

No, because though, there was damage there was no legal injury

None of the above.

5. Legal Principle: The defendant is liable if he makes a non-natural use of land.

Factual Situation: Mr. Kundan had stored chemicals on his land which escaped and caused damaged to the adjacent properties one of which belonged to Mr. Ankit. Mr. Ankit will:

Fail because Mr. Kundan had stored chemicals on his own property.

Succeed because storing chemicals is a non-natural use of land.

Fail because storing chemicals is a natural use of land.

Fail because Mr. Ankit should have taken adequate precautions against the chemicals.

- 6. Legal Principle:** Absolute or strict liability are exceptions to the requirement of mens rea.

Factual Situation: B, a mill owner employed independent contractors, who were apparently competent to construct a reservoir on his land to provide water for his mill. There were old disused mining shafts under the site of the reservoir which the contractors failed to observe because they were filled with earth. The contractors therefore, did not block them. When the water was filled in the reservoir, it bursts through the shafts and flooded the plaintiff's coal mines on the adjoining land. It was found as a fact that B did not know of the shafts and had not been negligent. Decide Even though the independent contractors had been negligible, B will be held liable for the losses suffered by the plaintiff.

B will be held liable for the losses suffered by the plaintiff only if B was negligent and not otherwise.

Independent contractors would be liable to the plaintiff as there is privity of contract between them.

Neither B nor the independent contractors would be held liable as there was no guilty mind at work.

- 7. Legal Principle:** Under Article 12, unless the context otherwise requires, "the State" includes—
 the Government and Parliament of India;
 the Government and Legislature of each of the States; and
 all local or other authorities: (i) within the territory of India; or (ii) under the control of the Government of India.

Factual Situation: Mr. Arvind is employed with Oil and Natural Gas Corporation (ONGC). He faces discrimination at work at the hands of the Management and thinks that his right to equality is violated. He contemplates moving a writ petition against ONGC but his colleague suggests that Mr. Arvind will not succeed because ONGC is not 'State'. Decide

ONGC is 'State' as per Article 12 of the Constitution.

ONGC is not 'State' as per Article 12 of the Constitution.

Mr. Arvind will not succeed because a writ cannot be brought against a Company.

ONGC is not 'State' because its shares are listed in the stock market.

8. Legal Principle

- (i) If a person uses goods which are left to his care due to mistake by another person, he has to compensate the other person.
- (ii) A person is liable to pay the price of goods when it is sold to him

Factual Situation: A friend X, leaves a bag of rice by mistake in the house of his friend Y. Y's wife thinking that the bag of rice has been brought by Y for the home consumption, starts consuming the rice. After two days, the mistake was realised when X comes to Y's house for taking away the bag. By the time, 10 kg of rice is consumed from the bag. X demands the price from Y.

Y is not liable to pay the price.

Y is liable to compensate X for 10 kg rice.

Y is liable to pay the price of the entire bag of rice

Y is not liable as X shouldn't have taken care of his bag properly.

- 9. Legal Principle:** The State shall not make any law which takes away or abridges the rights conferred by Part III and if such a law is made, it shall be void to the extent to which it curtails any such right.

Factual Situation: Right to Property was a Fundamental Right but was abolished as such by a Constitutional amendment. Mr. Gautam decides to challenge the constitutional validity of the amendment. He will

Succeed because the State cannot make any law which takes away or abridges the rights conferred by Part III.

Fail because 'law' referred to in the above statement does not apply to Constitutional amendment Acts.

Succeed because even constitutional amendments cannot take away Part III rights.

Fail because Right to Property was not conferred by Part III.

- 10. Legal Principle:** A person who is usually of unsound mind, but occasionally of sound mind, may make a contract when he is of sound mind.

Factual Situation: Mr. Jamal is a patient in a lunatic asylum who experiences intervals of sound mind. Jamal entered into a contract during such interval of sound mind. On having suffered losses, he challenged the validity of the contract on the ground that he not only was mentally unsound but also lived in lunatic asylum. Decide

The contract is valid.

The contract is invalid.

The contract is voidable at the option of Mr. Jamal.

The contract is voidable at the option of the opposite party.

PREVIOUS EXAM QUESTIONS ALONG WITH IMPORTANT QUESTIONS FOR EXAMINATIONS

LEGAL TERMINOLOGIES AND MAXIMS

- 1. "Ab initio" means ____.**

- (a) In defence of a comment
- (b) From the beginning
- (c) In continuation with
- (d) In connection with the future

[CSEET Mock Test]

- 2. What is meant by 'ab initio'?**

- (a) List of additions
- (b) From the Origin
- (c) From the beginning
- (d) According to value

[CS Foundation December 2012]

- 3. The phrase ab initio means ____.**

- (a) From the beginning
- (b) From the end
- (c) Forever
- (d) From the origin

[CSEET Mock Test]

- 4. What is meant by the term 'actionable per se'?**

- (a) Actionable at the instance of the injured party only
- (b) Actionable only in the civil courts
- (c) A tort of strict liability
- (d) Actionable without proof of damage

[CSEET Mock Test 2]

5. **In pari delicto means**_____.

- (a) Where the petitioner is at fault
- (b) Where both parties to a dispute are equally at fault
- (c) Where the lawyer is at fault
- (d) Where the judge is at fault

6. **'Turpis arbiter' means**_____.

- (a) Inefficient lawyer
- (b) Corrupt judge
- (c) Inefficient judge
- (d) Corrupt prosecutor

7. **What is the meaning of the legal maxim, "Actio personalis Moritur Cum Persona"?**

- (a) An act without mental element is not an offence.
- (b) A personal right of action dies with the person.
- (c) Act of the court shall prejudice no one.
- (d) Act of God is a defence in a legal action.

[CSEET November 2020]

8. **Caveat venditor means**_____.

- (a) Manufacturer beware
- (b) Buyer beware
- (c) Seller beware
- (d) Transporter beware

9. **'Animus possidendi' means**_____.

- (a) Intent to contract
- (b) Intention to harm
- (c) Intention to return
- (d) Intention to possess

10. **Which of these best defines an ADR?**

- (a) A statutory document filed by every company annually with the Registrar of Companies, stating the particulars such as status, names of directors, shareholders, indebtedness etc. of the company.
- (b) A receipt showing evidence that shares of a foreign corporation are held on deposit or under control of an U.S banking institution used to facilitate transactions and expedite transfer of

beneficial ownership for a foreign security in the United States.

- (c) The financial statement generally prepared at the end of a period usually the financial year showing the assets, liabilities and net worth of an organisation.
- (d) None of the above.

11. **The legal maxim 'Amicus Curiae' means:**

- (a) Friend of the accused
- (b) A pending suit
- (c) Friend of the court
- (d) An indispensable condition

[CSEET November 2022]

12. **A Legal charge on property which holds it as a security for a loan is called**_____.

- (a) Merger
- (b) Mortgage
- (c) Monopoly
- (d) Moratorium

[CSEET Mock Test]

13. **Choose the most appropriate option for each of the following questions; "Bona fide" means**_____.

- (a) Generous
- (b) Genuine
- (c) Trustworthy
- (d) Bad intention

[CSEET Mock Test]

14. **Malus animus means**_____.

- (a) Bad intention
- (b) Animal farm
- (c) Good intention
- (d) Physical force

15. **Lex loci means**_____.

- (a) Italian laws
- (b) Domestic laws
- (c) Latin regulations
- (d) Law of a place

16. **Per incuriam means**_____.

- (a) Mistaken decision
- (b) Supremacy of law

- (c) Mistaken identity
- (d) Supremacy of the Constitution

17. 'Sine die' means_____.

- (a) Adjourned for the day and scheduled to meet next day again.
- (b) Adjourned for the day and meet after one week.
- (c) Adjourned without fixing any date for the next meeting.
- (d) Adjourned for the day and meet after one month.

18. Bona fide means_____.

- (a) Said by the way
- (b) In good faith
- (c) From the beginning
- (d) None of the above

[CS Foundation June 2014]

19. The Abbreviation 'BIFR' with reference to Sick Companies in India means_____.

- (a) Board for Indian Financial Reserves
- (b) Board for Industrial and Financial Resources
- (c) Board for Industrial and Financial Reconstruction
- (d) Board for International Fund Reserve

[CS Foundation June 2018]

20. Bona vacantia means_____.

- (a) Vacant land
- (b) Order of the court for eviction
- (c) Goods that have no owner
- (d) Vacant building

21. 'Jus Gentium' means_____.

- (a) Global administrative law
- (b) Law of Societies
- (c) Law among Nations
- (d) Global justice

22. The meaning of legal maxim men's Rea is_____.

- (a) A pending suit
- (b) Immediate profits
- (c) During litigation
- (d) A guilty mind

[CS Foundation December 2013]

23. Pari passu means_____.

- (a) On an unequal status
- (b) Supremacy of law
- (c) Diverse nature
- (d) On equal footing

24. NABARD Stands for_____.

- (a) National Bank for Agriculture & Rainforest Development
- (b) National Bank for American Regional Development
- (c) National Bank for Agricultural & Rural Development
- (d) National Bank for Alliance & Rural Development

[CSEET Mock Test]

25. 'Punctum Temporis' means_____.

- (a) Temporary position
- (b) Point of time
- (c) Functional authority
- (d) Timely assistance

26. Find out the appropriate meaning of the given word from the choices given below it: Perjure

- (a) To hide
- (b) To Lie
- (c) To confess
- (d) To deny

[CSEET Mock Test]

27. Autrefois convict means_____.

- (a) Formerly convicted
- (b) Doubtful conviction
- (c) Failed prosecution
- (d) To be convicted

28. An amount set aside out of profits or surpluses to meet contingencies is called_____.

- (a) Repo
- (b) Reserve
- (c) Collateral
- (d) Royalty

[CSEET Mock Test]

29. Lis pendens means_____.

- (a) Facts of case proved
- (b) Decided case
- (c) Pending suit
- (d) No legal issues involved

30. Faux pas means _____.

- (a) Passage of time
- (b) Cheating
- (c) Pausing for a while
- (d) Tactless mistake

31. 'Alibi' means a plea by an accused person that he_____.

- (a) Was present elsewhere
- (b) Remained in judicial custody
- (c) Underwent preventive detention
- (d) Was facing trial

32. 'Obiter dicta' means_____.

- (a) Basis of judicial decision
- (b) Judgment of a court in the case before it
- (c) An opinion given by the court not necessary for the decision
- (d) Direction by a judge

33. A Litigant is_____.

- (a) A formal legal document
- (b) A party to a case
- (c) Authority given to take some action
- (d) Principal amount

[CSEET Mock Test]

34. 'lis pendens' means_____.

- (a) Awaited information.
- (b) On the basis of evidence.
- (c) Decision awaited.
- (d) A pending suit

35. Choose the most appropriate option for each of the following questions; "Faux pas" means:

- (a) Fake identity
- (b) Social blunder
- (c) False
- (d) Expected to happening

[CSEET Mock Test]

36. What is the meaning of maxim ultra vires?

- (a) An accomplished act
- (b) Within the powers
- (c) Beyond the powers
- (d) With the guilty mine

[CS Foundation June 2013]

37. 'Persona non grata' means_____.

- (a) Non performance of promise
- (b) Non person
- (c) An unacceptable person
- (d) Ungrateful person

38. Choose the most appropriate option for each of the following question: "Pro rata" means_____.

- (a) A summary or curriculum vitae
- (b) Point by point
- (c) For the good of the public
- (d) According to rate or proportion

[CSEET Mock Test]

39. If an authority is holding information about another in a 'fiduciary capacity', the information under the Right to Information Act, 2005 may not be obtainable. 'Fiduciary relationship' is based on_____.

- (a) Authority
- (b) Trust
- (c) Law
- (d) Contract

40. Identify legal maxim which means 'Where there is a right, there is a remedy.'

- (a) Injuria sine damno
- (b) Volenti non-fit injuria
- (c) Ubi jus ibi remedium
- (d) Quid pro quo

[CSEET November 2021]

41. Choose the most appropriate option for each of the following question: "Mala fide" means_____.

- (a) Genuine
- (b) Trustworthy
- (c) Generous
- (d) Bad intention

[CSEET Mock Test]

42. The expression quantum meruit means ____.

- (a) As much as earned
- (b) Equal consideration
- (c) On the basis of merit
- (d) Meeting of minds

[CS Foundation June 2014]

43. The phrase quantum meruit literally means:

- (a) As much as earned or reasonable remuneration
- (b) The fact in itself
- (c) A contract for sale
- (d) As much as is gained

[CS Foundation June 2013]

44. Choose the most appropriate option for the following question: "Vis-à-vis" means ____.

- (a) Agree
- (b) Face-to-face
- (c) Direct
- (d) Opposite

[CSEET Mock Test]

45. The expression of Quantum Meruit literally means:

- (a) As much as earned
- (b) As per the claim of the aggrieved party
- (c) As much as work done
- (d) None of the above

[CS Foundation December 2012]

46. Which among the following are the types of lien?

- (a) Particular lien
- (b) General lien
- (c) Both (a) and (b)
- (d) Neither (a) nor (b)

[CS Foundation June 2014]

47. Crime against Society is ____.

- (a) Stalking
- (b) Forgery
- (c) Trafficking
- (d) (b) and (c) both

[CS Foundation December 2018]

48. Choose the correct meaning of the phrase below: Status quo

- (a) The previous condition
- (b) The existing condition
- (c) Direct
- (d) Lack of authority

[CSEET E-Bulletin June 2020]

49. What is the meaning of adjournment 'sine die'?

- (a) Terminating a sitting of the state legislature for an indefinite period
- (b) Terminating a sitting of the state legislature for some hours
- (c) Terminating a sitting of the state legislature for some days
- (d) Terminating a sitting of the state legislature for some months

[CSEET E-Bulletin May 2020]

50. 'actionable per se': (CSEET E-Bulletin November 2021)

Which of the following legal terms mean to assist someone in committing a crime?

- (a) Abscond
- (b) Abet
- (c) Abandon
- (d) Abduct

[CSEET June 2022]

51. What is the meaning of the legal term 'Bona fide'?

- (a) Bad faith
- (b) Good faith
- (c) Guilty mind
- (d) In kind

[CSEET January 2021]

52. 'Court of Record' is a Court which?

- (a) Is competent to issue writs
- (b) Maintains records
- (c) Preserves all its records
- (d) Can punish for its contempt

[CSEET E-Bulletin December 2021]

CONSTITUTION

53. Principle: The concept of natural justice is against bias and for the right to a fair hearing. While the term natural justice is often retained as a general concept, and it has largely been replaced and extended by the general 'duty to act fairly'.

Fact: 'X', a male employee of a company was dismissed by the employer just on the basis of a complaint by 'Y', a female employee of the company that 'X' was trying to be too friendly with her and often requested her to accompany him to the canteen. Is the dismissal of 'X' valid?

- (a) No, because the employer did not give a chance to 'X' to explain his side, thereby violated the principles of natural justice.
- (b) Yes, moral law is antique and therefore, not applicable in modern times, therefore the termination is valid and no violations of the principles of natural justice occurred.
- (c) Yes, because men are not supposed to behave improperly with women and hence there is no violation of any principles of law.
- (d) No, because in the modern times this type of behaviour is common.

54. Legal Principle: The doctrine of basic structure in Constitutional jurisprudence means that the Constitution of India has certain basic features that cannot be taken away through amendments by the Parliament. The power of judicial review is a part of the basic structure and it helps the constitutional Courts to determine whether an amendment is against the basic structure or not.

Facts: Situation: Parliament proposes an amendment to limit the power of appeal against conviction for the offence of Sedition, to be exercised only by the Supreme Court of India.

Which of the following statements is the most appropriate in relation to the legal principle stated above?

- (a) The proposed amendment is against the doctrine of basic structure.
- (b) The proposed amendment is unconnected to the doctrine of basic structure.
- (c) The proposed amendment can be reviewed and struck down by the Constitutional Courts.
- (d) The proposed amendment is beyond the power of the Parliament.

55. Legal Principle: The Latin maxim *nemo bis punitur pro eodem delicto* means that nobody can be punished twice for the same offence.

Fact : Sajan, a petty thief, is caught and thrashed thoroughly by the people before being handed over to the police. Sajan pleads before the magistrate that since he was already thrashed by the people he should not be again punished by the State.

Which of the following statements is the most appropriate in relation to the legal principle stated above?

- (a) Sajan is right since nobody should be punished for the same offence twice.
- (b) Thrashing given by the people does not amount to legal punishment and so Sajan can be punished by the State.
- (c) Giving a good thrashing to the thief is the best form of punishment to prevent future theft.
- (d) The Magistrate should take into consideration the thrashing received by Sajan while fixing his punishment.

56. Legal Principle: Article 20(3) of the Constitution of India states that no person accused of any offence shall be compelled to be a witness against himself.

Facts : Ubaid refuses to give a sample of his blood after he is stopped by the police for driving over the speed limit. The police suspect him to be driving under the influence of alcohol, which is prohibited under the law.

Which of the following statements is the most appropriate in relation to the legal principle stated above?

- (a) Ubaid is protected by Article 20(3) in his refusal to give a blood sample.
- (b) Ubaid is not protected by Article 20(3) as he was under the influence of alcohol.
- (c) Ubaid is not protected by Article 20(3) in his refusal to give a blood sample since he is not accused of any offence yet.
- (d) Refusal to give a blood sample is a crime and Ubaid must be punished for the same.
- (b) A judge cannot excuse himself from taking up a case posted before him by the Court Registry.
- (c) L should refrain from hearing the matter as he holds shares of the Company X.
- (d) Since, L has only 200 shares he has no substantial interest in the company and hence can decide the matter.

57. Legal Principle: One of the principles of 'Natural Justice' states that, "No person shall be a judge in his own cause".

Facts: A, a driver of B, a Branch Manager of ABC Bank was caught, suspecting theft, in the bank premises. The Bank management instituted an enquiry and made B the enquiry officer.

Which of the following statements is correct?

- (a) As B is a Bank Manager and not a judge, this principle is inapplicable.
- (b) Since the suspected theft was in the bank premises, the manager is the only competent person to enquire. Hence, the principle is not applicable.
- (c) Since B is the employer of A, B should not be conducting the enquiry on the basis of the given principle.
- (d) The principle will be applicable, only if the theft committed by A was in relation to the car.

58. Legal Principle: Justice should not only be done, but also seen to be done.

Facts: L, an honest Lawyer had 200 shares in Company X. Later, L was elevated to the High Court as a Judge and had to deal with Company matters. A dispute between Company X and its creditors came before L for decision.

Which among the following proposition is true?

- (a) L, as an honest person will definitely judge the matter on the merits only. So, the principle cannot apply.

59. Legal Principle: 'Audi alteram partem' is a Latin phrase which means 'hear the other side'. It is the principle that no person should be judged without a fair hearing.

Facts : Sanjay, in Delhi, is accused of theft and brought before the Court. The magistrate discovers that Sanjay is mute.

Which of the following statements is the most appropriate in relation to the legal principle stated above?

Options:

- (a) The principle is not applicable to Sanjay since he is mute.
- (b) The principle is applicable to Sanjay even though he cannot speak since he can be asked to write down his defence.
- (c) The Magistrate has to take all measures to understand what Sanjay has to convey about the accusation against him.
- (d) Since it is a Latin principle it is not applicable in India.

60. Principle: The consideration or object of an agreement is unlawful if the Court regards it as opposed to public policy. Every agreement of which the object or consideration is unlawful is void.

Facts: A promises to obtain for B an employment in the public service and B promises to pay Rs. 5,00,000/- to A. Which of the following is correct?

- (a) There is a voidable contract between A and B.
- (b) There is an agreement between A and B which can be enforced by the court of law.

- (c) There is a contract between A and B.
- (d) There is an agreement between A and B which cannot be enforced by the court of law.

[CSEET E-Bulletin July 2021]

61. S is a minor but he fraudulently takes a loan of Rs. 1 lakh from P after misrepresenting that he is a major. S spent the entire amount and failed to repay the loan amount P sues S for recovery of loan and for damages incurred due to fraudulent misrepresentation. What is the most appropriate outcome of this contact?

- (a) P can recover the money from S on the basis of estoppel as S had represented himself as a major
- (b) P cannot claim for damages and recover loan amount since contract by a minor is a Contract void ab initio
- (c) P cannot claim the amount from S as he should have been more careful under Covey emptor.
- (d) P can claim damages for fraud as there is a fort of desert involved here

[CSEET January 2022]

62. A doctor is operating on husband of H is so tensed that she goes inside the operation theatre and tells the doctor that she will pay him a lakh extra if the operation is successful. The operation is successful and the doctor claims the money H refuses to pay. Advise the doctor about initiating a case against H.

- (a) The doctor cannot sue H as it is the duty of the doctor to perform the operation in the best possible way.
- (b) The doctor cannot sue H as it would be an immoral contract to claim extra money from patient.
- (c) The doctor can sue H for breach of contract as H did not keep the promise made.
- (d) There was no free consent in this contract as the promise was made out of emotion and undue influence so the Doctor Cannot sue H.

[CSEET January 2022]

CONTRACT ACT

63. 'A' had a contractual obligation to deliver the goods of a particular quality to 'B' at his house. The goods were delivered to 'B' at his office and 'B' refused to receive the goods. As per the Indian Contract Act, 1872, which of the following options is correct with reference of this situation?

- (a) 'B' has no right to claim for non-performance of 'A' under the agreed terms.
- (b) 'A' may perform this obligation at his convenience and hence, B cannot reject the goods.
- (c) 'B' has every right to reject, as the goods were not delivered to the agreed place.
- (d) 'A' is not responsible for non-performance and does not lose his rights, under the contract.

[CSEET January 2021]

64. Principle: An agreement may be entered into orally, in writing, or by conduct.

Facts: A went to the shop of B and picked a tooth brush and gave a cheque of Rupees Twenty to B and left the shop.

- (a) A entered into an agreement with B.
- (b) A did not enter into an agreement with B.
- (c) Payment of tooth brush cannot be made through a cheque.
- (d) A should have carried a currency note of Rupees twenty to make the payment.

65. Principle: A person, who is usually mad, but occasionally not mad, may make a contract when he is not mad.

Facts: A generally remains in the state of madness and rarely becomes capable of understanding anything.

- (a) A can make a contract.
- (b) A can never make a contract.
- (c) A can make a contract at any time whenever he pleases.
- (d) A can make a contract only for his own benefit.

66. A chemist sold a hair conditioner to Mrs. X. The conditioner was locally manufactured and consisted of some chemicals listed on the bottle which are generally considered harmful. However, the chemist told Mrs. X that the chemicals are harmless and beneficial. On using the conditioner Mrs. X's hair was badly damaged.

Mrs. X filed a complaint against the chemist. Will the chemist be held liable? Choose the most appropriate answer.

- (a) No, because Mrs. X did not consult a doctor before using the conditioner
- (b) Yes, because Mrs. X's hair damage was caused by factors unrelated to the conditioner, even though the chemist's representation was false
- (c) No, because the product was locally manufactured
- (d) Yes, because as a chemist he was aware of the side effects of the ingredients and he did not represent the same to Mrs. X

[CSEET November 2023]

67. H. Picked up a diamond ring from the floor of 'P's shop and handed it over to P to give it to the real owner P issued an advertisement to trace the real owner. But the real owner did not turn up. After some time, H went to P and paid him the advertisement expenses and requested him to return the diamond P refused. What is the correct outcome for the given scenario?

- (a) H cannot claim as the diamond ring does not belong to him, and he is just a finder of the ring
- (b) Neither H nor P can claim the diamond ring as this is a quasi contract and the real owner is untraceable
- (c) P can claim the ring as it was found in his shop and his claim is superior over anyone else
- (d) H can claim the ring as he is the finder and his claim is superior over anyone other than owner

[CSEET January 2022]

68. Principle: Every agreement, of which the object or consideration is opposed to public policy, is void. An agreement which has the tendency to injure public interest or public welfare is one against public policy. What constitutes an injury to public interest or public welfare would depend upon the times and the circumstances.

Facts: 'A' promises to obtain for 'B' an employment in the public service, and 'B' promises to pay Rupees 5,00,000 to 'A'.

- (a) The agreement is valid, as it is a contract between two parties with their free consent.
- (b) The agreement is void because rupees 5,00,000 is excessive.
- (c) The agreement is void, as the object and consideration for it is opposed to public policy.
- (d) The agreement is valid, as it is with consideration for public service.

69. Principle: According to the law of trade unions in India, no suit or other legal proceeding shall be maintainable in any civil court against any registered trade union or any officer or member thereof in respect of any act done in contemplation or in furtherance of a trade dispute.

Facts: Solomon, the Secretary of a registered Trade Union took a loan from a Bank for the higher education of his daughter. Soon after completing the course she was married to an NRI Engineer. Solomon did not repay the loan. The Bank demanded the payments from Solomon and warned him that the Bank will take suitable legal action against him. Identify the legal position in this regard.

- (a) The Bank can file a suit for recovery of the loan amount against Solomon as he took the loan for a personal purpose and in such case no immunity will work.
- (b) The Bank cannot initiate any action against Solomon as he is the Secretary of a Registered Trade Union.
- (c) The Bank can recover the loan amount from the Trade Union as Solomon is the Secretary of the Union.