



## HIMACHAL PRADESH NATIONAL LAW UNIVERSITY, SHIMLA

### Semester: III

B.A./B.B.A. LL.B. (Hons.)

Paper Code: LB-303

Law of Contract - II (Special Contract)

Credit - 04

#### Introduction:

Contracts are finalized every second of every day. For businesses in particular, contracts act as a vital tool for building new relationships, extending existing ones and closing transactions. However, formalizing relationships is just one of many purposes performed by contracts. The widespread use of contracts means that there are now countless ways in which a contract can help a business (if managed correctly). The law of contract is the most important part of commercial law because every commercial transaction starts from an agreement between two persons. In this course the student will be able to understand the nuances of law of contract with regard to contract of Agency, Bailment, Pledge, Indemnity and Guarantee. Furthermore, the student will be able to understand the concept of partnership, limited liability partnership, and sale of goods.

#### Course Objectives:

1. To know the special types of contracts; indemnity; guarantee; bailment; pledge; hypothecation.
2. To understand the concept of Contract of Agency; Sub-agents; ratification and revocation of authority; agent's duty.
3. To study law relating to Sale of Goods Act 1930.
4. To study law relating to partnership and limited liability partnership.

#### Learning Outcomes:

On the successful completion of course, students will be able to:

1. Get a deep insight about the law and procedure relating to contract of Bailment, Pledge, Indemnity and Guarantee, Rights, duties and liabilities.
2. Understand the basic principles of agency and requirements of contract of agency and all legal consequences attached.
3. Understand the basic principle of sale of goods act, including conditions and warranties for contract of sale, right of unpaid seller and suit for breach of contract.
4. Understand the basic principles of partnership law, including, rights and duties of a partner, the fiduciary obligations of partners to each other.

**Module - I**  
**Special Contracts, (Ss. 124-181)**

- 1.1. Contract of indemnity;
- 1.2. Contract of guarantee;
- 1.3. Contract of bailment;
- 1.4. Contract of pledge;
- 1.5. Hypothecation.

**Module - II**  
**Contract of Agency (Ss. 182-238)**

- 2.1. Appointment and authority of Agents;
- 2.2. Sub-agents;
- 2.3. Ratification and revocation of authority;
- 2.4. Agent's duty to principal and principal's duty to agent;
- 2.5. Effect of agency on contracts with third persons.

**Module - III**  
**Sale of Goods**

- 3.1. Formation of contract of Sale;
- 3.2. Conditions and Warranties;
- 3.3. Effects of contract of sale & performance of the contract;
- 3.4. Rights of unpaid seller;
- 3.5. Suit for breach of contract.

**Module - IV**  
**Partnership and Limited Liability Partnership**

- 4.1. Partnership; partnership not created by status;
- 4.2. Distinction between partnership, company and limited liability partnership;
- 4.3. Relation of partners to one another and to the third parties;
- 4.4. Dissolution of a Firm;
- 4.5. Effect of registration and non- registration of a firm.

**Prescribed Legislations:**

1. The Indian Contract Act, 1872.
2. The Indian Partnership Act, 1932.
3. The Limited Liability Partnership Act, 2008.
4. The Sale of Goods Act, 1930.

**Prescribed Books:**

1. Avtar Singh, CONTRACT AND SPECIFIC RELIEF, (Eastern book company, 2022).
2. Pollock & Mulla, THE INDIAN CONTRACT ACT AND SPECIFIC RELIEF ACT, (Lexis Nexis, 2019).
3. Mulla, THE INDIAN CONTRACT ACT, (Lexis Nexis, 2021).
4. S. S. Srivastava, LAW OF CONTRACT I & II, (Central Law Publication, 2023).

**Reference Books:**

1. Anson, LAW OF CONTRACT, (Oxford University Press 2010).
2. Hugh Beale, CHITTY ON CONTRACTS, (Sweet and Maxwell, 32<sup>nd</sup> ed., 2016).
3. G. C. V. Subba Rao, LAW OF CONTRACT I & II, (Narender Gogia & Company, 2019).
4. Pollock & Mulla, THE SALE OF GOODS ACT, 1930, (Lexis Nexis 2017).
5. Pollock & Mulla, THE INDIAN PARTNERSHIP ACT, (Lexis Nexis, 2020).
6. Sanjeev Aggarwal and Rohini Aggarwal, LIMITED LIABILITY PARTNERSHIP: LAW AND PRACTICE, (Lexis Nexis, 2009).

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Deputy Director  
Public Affairs  
H.P. National Law University, Shimla