

NATIONAL LAW UNIVERSITY, DELHI

LL.M. (Professional), Semester-II (Batch of 2020)

End Semester Examinations, July-2021

Paper: Commercial Contracts and Business Ethics

Total Marks: 100

Instructions:

1. Answer **any five questions** from the followings.
2. The Word limit is 2000-3000 for each question.
3. No clarification shall be sought on the question paper.

Q.1(a) The Business Ethics have always remained relevant to the commercial contracts and have become more significant in this technological age. In the wake of the Covid-19 Pandemic, have the definition and the ethical dilemmas changed? **(15 Marks)**

(b) "Social Responsibility and Business Ethics are the same concept." Analyse the statement. **(5 Marks)**

Q.2 To provide residential flats, an agreement is entered into between the Unitech Builders Limited (Party I) and the prospective buyers/ allottees (Party II) which was duly incorporated and signed by both the parties.

Few of the clauses of the agreement are as follows:

- a) Party I undertakes to indemnify Party II for any loss in case of undue delay due to any act of Party I or change in the layout plan without consent of Party II.
- b) Party I could charge interest at the rate of 26% in case of a default by party II in making payment of any of the instalments.
- c) In case, if there is any escalation in price due to any reason while the agreement is still subsisting, Party II shall be bound to pay all such sums as shall be decided by Party I.
- d) The decision of Party I shall be final and binding on Party II.

In view of the above, discuss the following:

- i. The enforceability of these clauses as per the applicable principles and provisions applicable to commercial contracts in India. **(15 Marks)**
- ii. Appropriate forum/fora available to the aggrieved party. **(5 Marks)**

Q.3 Draft a suitable agreement between M/s. Saksham Enterprises Ltd. (the Company) and the Contractor, Mr. Khote Lal taking care of the following necessary clauses including:

- a) *force majeure* conditions
- b) non-performance penalties
- c) time for completing dispute resolution,
- d) the Arbitration Agreement Clause in terms of Arbitration and Conciliation Act, 1996, and other requirements of various laws. **(20 Marks)**

Q.4 During Covid-19, Kuberprastha, an Indian State, witnessed the worst health crisis. The hospitals ran short of oxygen concentrators on a daily basis and were unable to procure them. Thousands of critical patients of the Covid-19 disease lost their lives due to the shortage of the lifesaving oxygen.

The Chief Minister of the State, Mr Kuber, announced that:

- i. The Government shall start an oxygen concentrator bank (OCB).
- ii. The Government officials will deliver the oxygen concentrators within two hours to those patients which are under home isolation.
- iii. A technical person will accompany the officials and will educate the family members on how to use the machine. For that, the contract has been signed with Agency FOXX.

Mr. Beans, dialed the number provided on the website and placed his request for three oxygen concentrators for his wife, father and daughter suffering from Covid. The cylinders were delivered to his address as requested but before the technical person from FOXX, Mr Donald, could reach for demonstration, his father died due to breathlessness.

Mr. Beans files a case against the State of Kuberprastha, Mr Kuber, FOXX and Mr Donald for killing his father. Discuss keeping in view of the provisions of the Contract Act, 1872.

(20 Marks)

Q.5 Write notes on:

- i. Liquidated Damages and Penalty **(10 Marks)**
- ii. Agreements in restraint of trade and legal proceedings **(10 Marks)**

Q.6 Cryptocurrency has been neither recognized nor banned in country ZZEE. For various online purchases, its being widely used by its citizens. Ms Sonal and Ms Komal entered into an online agreement for a secret transaction. The payment was to be made in a new cryptocurrency coin Dora. Ms Sonal could not complete her obligation arising under the contract but refused to compensate Ms Komal as per the terms of the agreement. Ms Komal filed a suit for specific performance in the district court which had the jurisdiction. In your opinion, whether she would be successful? Justify your answer with the help of applicable provisions of the Contract Act of ZZEE assuming that ZZEE has similar laws as that of India.

(20 Marks)