

تمام کلاسز کی حل شدہ مشقیں MrPakistani ویب سائٹ سے فری ڈاؤن لوڈ کریں۔

Allama Iqbal Open University Solved Assignments Spring 2026

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گھر بیٹھے حل شدہ مشقیں، گیس پیپرز، کتابیں اور خلاصے حاصل کرنے کے لیے رابطہ کریں واٹس ایپ نمبر: 03036940016

نوٹ: ہم طلبہ کے لیے جامع اور معیاری تعلیمی خدمات فراہم کرتے ہیں۔ ہماری خدمات میں علامہ اقبال اوپن یونیورسٹی کے حل شدہ اسائنمنٹس، گیس پیپرز، سابقہ پرچے، تازہ ملازمتوں کی معلومات، آن لائن سی وی تیار کرنا، ملازمت کے لیے درخواست دینا، یونیورسٹی داخلوں میں رہنمائی اور درخواست جمع کروانا شامل ہیں۔ اس کے علاوہ یونیورسٹی سے متعلق طلبہ کے ہر قسم کے تعلیمی اور رہنمائی کے کام میں مکمل تعاون فراہم کیا جاتا ہے تاکہ طلبہ کو ایک ہی جگہ پر تمام ضروری سہولیات میسر آسکیں۔



واٹس ایپ گروپ جوائن کرنے کے لیے سامنے دیے گئے لنک پر کلک کریں۔



واٹس ایپ چینل جوائن کرنے کے لیے سامنے دیے گئے لنک پر کلک کریں۔



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Assignment 1

Q.1. Keeping in view the Contract Act 1872, explain the following terms with one example for each:

i. Agreement

Definition: Section 2(e) of the Contract Act 1872 defines an agreement as "every promise and every set of promises, forming the consideration for each other." In simpler terms, an agreement is a proposal (offer) by one party and its acceptance by the other party.

Essentials:

- At least two parties
- Offer by one party
- Acceptance by the other party

Example: A offers to sell his car to B for Rs. 500,000. B accepts this offer. This mutual understanding constitutes an agreement.

ii. Void Agreement

Definition: Section 2(g) defines a void agreement as "an agreement not enforceable by law." Such an agreement has no legal effect from the very beginning (ab initio). No rights or obligations arise from it.

Circumstances (Sections 24-30): Agreements with unlawful consideration or object, agreements in restraint of marriage, trade (except certain exceptions), legal proceedings, wagering agreements, etc.

Example: A agrees with B to pay B Rs. 10,000 if B does not marry anyone for 5 years. This is a restraint of marriage (Section 26) – void agreement.

iii. Illegal agreement



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Definition: An illegal agreement is one whose object or consideration is unlawful (forbidden by law, fraudulent, injurious to person or property, or immoral). All illegal agreements are void, but not all void agreements are illegal. An illegal agreement is also punishable by law.

Consequences: No relief is granted even to innocent parties. Collateral transactions also become tainted.

Example: A hires B to kidnap C for Rs. 50,000. This agreement is illegal because its object is a criminal act.

iv. Voidable agreement

Definition: Section 2(i) defines a voidable agreement as "an agreement which is enforceable by law at the option of one or more of the parties thereto, but not at the option of the other or others."

Circumstances: Coercion, undue influence, fraud, misrepresentation, or mistake of fact (under certain conditions). The aggrieved party may either rescind the contract or affirm it.

Example: A forces B to sign a sale deed at gunpoint (coercion). The contract is voidable at B's option. B may either cancel it or, if he wishes, affirm it.

Q.2. Every contract involves a mechanism of offer and acceptance in a business. Explain in detail the legal provisions of offer and acceptance under the Contract Act 1872.

Offer (Proposal) – Section 2(a)

Definition: When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a proposal (offer).

Legal rules regarding a valid offer:

Rule	Explanation
Express or implied	Offer may be express (words, written or oral) or implied (conduct). Example: A bus running on a route implies an offer to carry passengers.



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Must create legal relationship	A social invitation (e.g., "come for dinner") is not a valid offer. Intention to create legal obligation is necessary.
Terms must be definite	Vague, uncertain terms make the offer invalid. Example: "I will sell some rice" is indefinite.
Must be communicated	An offer is effective only when communicated to the offeree. Unknown offers cannot be accepted.
May be general or specific	Specific offer is made to a specific person; general offer is made to the public (e.g., reward offers).
Must be capable of acceptance	Impossible acts cannot be offered. Example: "Jump to the moon" is no offer.

Lapse (end) of offer (Section 6): An offer lapses by:

- Expiry of specified time (or reasonable time if none specified)
- Rejection by offeree
- Counter-offer (changes the terms)
- Death of offeror/offeree before acceptance (unless agreed otherwise)
- Revocation by offeror before acceptance
- Failure of a condition precedent



Acceptance – Section 2(b)

Definition: When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. A proposal, when accepted, becomes a promise.

Legal rules for valid acceptance:

Rule	Explanation
Absolute and unconditional (Section 7)	Acceptance must be exactly as offered. Any variation is a counter-offer.
Must be communicated	Mere mental assent is not enough. Silence does not amount to acceptance (except where prior conduct implies).
Mode prescribed or reasonable	If a mode of acceptance is prescribed, it must be followed; otherwise any reasonable mode (letter, telegram, email) suffices.
Must be given within reasonable time	If no time is fixed, acceptance must be within a reasonable period.
By the offeree only	Acceptance cannot be by a third person.



Before lapse of offer

Acceptance after offer has lapsed is invalid.

Communication of acceptance (Sections 4 & 5):

- Acceptance is complete as against the offeror when it is put into transmission (posting letter, sending telegram) so as to be out of the offeree's power.
- As against the offeree, it is complete when it comes to the knowledge of the offeror.

Revocation of acceptance (Section 5): Acceptance may be revoked at any time before the letter of acceptance is posted (or before it comes to the offeror's knowledge), but not afterwards.

Example: A offers to sell his house for Rs. 2 million. B accepts unconditionally by letter posted on 1st April. Acceptance is complete as against A on 1st April (when posted); as against B on 3rd April (when A receives letter). A cannot revoke his offer after 1st April, and B cannot revoke after 1st April.

Q.3. What is meant by the term consideration? Explain the various legal provisions regarding the consideration in a contract.

Definition of Consideration

Section 2(d) of the Contract Act 1872 defines consideration as: "When, at the desire of the promisor, the promisee or any other person has done or abstained from doing, or does or abstains from doing, or promises to do or to abstain from doing, something, such act or abstinence or promise is called a consideration for the promise."

In simple words, consideration means "something in return" – the price for which the promise of the other party is bought. It may be an act (positive) or forbearance (negative) or a promise.

Maxim: "No consideration, no contract" (exceptions exist).

Legal provisions regarding consideration (Sections 10, 23, 24, 25)

1. Consideration must move at the desire of the promisor (Section 2(d))

The act or forbearance must be done at the promisor's request, not at the instance of a third party.

Example: A helps B's son without B's request. Later B promises to pay. No valid consideration because act was not at B's desire.



2. Consideration may move from the promisee or any other person (privity of consideration)

Indian law allows a stranger to provide consideration. A person who is not a party to the contract can also provide consideration. However, **privity of contract** (stranger cannot sue) is still a separate rule.

Example: A promises to pay B if C (A's father) transfers property to B. C transfers. A must pay B – consideration moved from C, a third person.

3. Consideration must be lawful (Section 23)

Consideration is unlawful if it is:

- Forbidden by law
- Fraudulent
- Injurious to person or property
- Immoral or opposed to public policy

If consideration is unlawful, the agreement is void.

4. Consideration need not be adequate (Explanation 2 to Section 25)

Courts do not question the adequacy of consideration. A mere dime can be valid consideration if freely given. However, inadequacy may be evidence of fraud or undue influence.

5. Consideration must be real and not illusory

Physical impossibility or legal impossibility makes consideration invalid. For example, promising to make a dead man alive is no consideration.

6. Past, present or future consideration

- **Past consideration:** An act done before the promise is valid only if done at the promisor's request (Indian law).
- **Present consideration (executed):** Simultaneous exchange (e.g., cash sale).
- **Future consideration (executory):** Promise to be performed later.

7. Contracts without consideration are void (Section 25) – Exceptions:

Exception	Explanation
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Natural love and affection	Written and registered agreement between near relatives (Section 25(1))
Compensation for past voluntary service	If the person had rendered service voluntarily and promisor later promises to pay (Section 25(2))
Time-barred debt	Promise to pay a debt barred by limitation law, signed by the debtor (Section 25(3))
Agency (Section 185)	No consideration is needed to create an agency
Gift (Section 25 Explanation)	Completed gift (transfer of property) does not require consideration
Charitable subscription	Promise to subscribe to charity; the promisee may suffer detriment, so valid



Q.4. What is meant by the performance of a contract? Who can demand performance of a contract? Explain in detail with examples the legal provisions regarding the performance of a contract.

Performance of a contract – Meaning (Section 37)

Performance of a contract means the fulfillment of the obligations undertaken by the parties under the contract. When both parties have performed their promises, the contract is discharged by performance.

Section 37: The parties to a contract must either perform their respective promises, or offer to perform (tender), unless such performance is dispensed with or excused by law.

Who can demand performance? (Sections 40-45 & 50-55)

1. Promisee (Section 37)

The person to whom the promise is made (promisee) can demand performance from the promisor.



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Example: A promises to pay B Rs. 5,000. B is the promisee and can demand payment.

2. Legal representatives (Section 37)

In case of death of the promisee before performance, his legal representatives can demand performance, unless the contract involves personal skill or taste.

Example: A agrees to paint B's portrait. A dies. His legal representatives cannot demand performance because painting is personal.

3. Third party beneficiary (doctrine of privity of contract)

Generally, a stranger to a contract cannot demand performance (Section 2(d) read with case law). However, exceptions exist:

- **Beneficiary under a trust or charge** – a person in whose favour a trust is created can sue.
- **Family settlement** – a member of the family can enforce.
- **Marriage settlement** – a person for whose benefit the settlement was made.
- **Covenant running with land** – purchaser of land.

Example: A agrees with B to pay Rs. 10,000 to C. C cannot sue A because C is not a party to the contract (privity rule).

4. Joint promisees (Section 45)

When a promise is made to two or more persons jointly, all joint promisees together can demand performance. If one dies, his legal representatives join the survivors.

5. Joint promisors (Section 42-44)

Any one of several joint promisors can be compelled to perform the whole promise (Section 42). That promisor may then claim contribution from others.

Legal provisions regarding performance (Sections 46-55)

Provision	Explanation
Time for performance (Section 46)	If no time is fixed, the promise must be performed within a reasonable time.
Performance on a specific date (Section 47)	If a day is fixed, the promise may be performed on that day (or after that day at the promisee's option).



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Performance before time (Section 48)	If a day is fixed and no time of day, the promisor may perform at any time before the due date, at the promisee's option.
Performance in case of reciprocal promises (Sections 51-54)	- Section 51: Promisor need not perform unless promisee is ready and willing. - Section 52: If order of performance is specified, that order must be followed. - Section 53: If one party prevents the other, the other can treat the contract as broken.
Tender of performance (Section 38)	The promisor must offer (tender) performance at the proper time and place, to the proper person. Tender must be unconditional and of the whole obligation. If refused, the promisor is discharged, and may sue for breach.
Deviation from terms (Section 55)	If performance deviates in a material way, the promisee may reject it. If non-material, the promisee may accept but claim compensation.

Example of tender: A owes B Rs. 5,000 on 1st April. On that day, A goes to B's office with the money and offers to pay. B refuses. A is discharged from further liability, and may later sue B for breach (or treat the debt as paid).

Q.5. Differentiate between a contract of guarantee & warrantee under the Contract Act 1872. Explain with examples.

Contract of Guarantee (Section 126)

Definition: A "contract of guarantee" is a contract to perform the promise, or discharge the liability, of a third person in case of his default. The person who gives the guarantee is called the "surety"; the person in respect of whose default the guarantee is given is called the "principal debtor"; and the person to whom the guarantee is given is called the "creditor".

Parties: Three parties – Creditor, Principal Debtor, Surety.

Liability: Secondary (surety's liability arises only when principal debtor defaults).

Object: To secure the performance of another's obligation.

Essentials:

- Existence of a legal debt/obligation of the principal debtor.



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- The guarantee must be in writing? (Not required by Contract Act, but by other laws, e.g., Bank Guarantee – writing needed).
- Consideration between creditor and surety (anything done for principal debtor is sufficient).

Example: A takes a loan of Rs. 1,00,000 from Bank B. C guarantees that if A defaults, C will pay. This is a contract of guarantee.

Contract of Warranty (Indemnity – Section 124)

Actually, the Contract Act 1872 does not use the term “warranty” in a separate sense. Instead, it uses “indemnity” under Section 124. A “warranty” is commonly used in sale of goods (Sale of Goods Act 1930). But for comparison with guarantee, we take **indemnity**.

Indemnity (Section 124): A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself, or by the conduct of any other person.

Parties: Two parties – Indemnifier (promisor) and Indemnity holder (promisee).

Liability: Primary (direct). Indemnifier’s liability arises immediately upon loss, without waiting for a third party’s default.

Object: To protect against loss.

Example: A promises to indemnify B against any loss arising from a lawsuit that B may have to defend. This is a contract of indemnity.

Difference between Guarantee and Indemnity (Warranty)

Basis	Contract of Guarantee	Contract of Indemnity (Warranty)
Number of parties	Three: Creditor, Principal Debtor, Surety	Two: Indemnifier and Indemnity holder
Liability	Secondary; surety is liable only after principal debtor’s default	Primary; indemnifier is directly liable when loss occurs
Existence of debt	There must be a principal debt/obligation	No pre-existing debt necessary
Right to sue	Surety can sue principal debtor for reimbursement after paying	Indemnifier cannot sue a third person unless subrogated
Default requirement	Surety’s liability arises only on default of principal debtor	Indemnifier’s liability arises immediately upon loss, whether caused by third party or himself



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Consideration	Consideration is the benefit given to principal debtor (or detriment to creditor)	Consideration is the promise to indemnify; the act of suffering loss is the consideration
Example	C guarantees repayment of A's loan to B.	X promises to pay Y for any loss Y suffers in a specified transaction.



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