

8. Agreements that do not give rise to contractual obligations are not contracts

- (a) True (b) Partly True
(c) False (d) None of the above

9. A contract creates

- (a) Rights and obligations of the parties to it (b) Obligations of the parties to it
(c) Mutual understanding between the parties to it (d) Mutual lawful rights and obligations of the parties to it

10. A invites B for coffee in coffee-day restaurant and B accepts the invitation. On the appointed date, B goes there but A is not found. In this case

- (a) B has no remedy against A
(b) B has to wait for another invitation from A
(c) B has the right to sue A for not honoring his words
(d) A has to invite B again, to perform the promise

[II] Long type Questions:

(10*3=30)

Q.1 "All contracts are agreement but all agreements are not contract" Explain with examples.

Q.2 What do you understand by guarantee? Distinguish between indemnity and guarantee contract.

Q.3 Who can make a valid contract? Discuss the validity of agreement made by minor.