

## Chapter – 30

### Performance of Contract

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#### I. Choose the Correct Answer

**Question 1.**

On the valid performance of the contractual obligations by the parties, the contract .....

- (a) Is discharged
- (b) Become enforceable
- (c) Becomes void
- (d) Becomes legal

**Answer:**

- (a) Is discharged

**Question 2.**

Which of the following persons can perform the contract?

- (a) Promisor alone
- (b) Legal representatives of promisor
- (c) Agent of the promisor
- (d) All the above

**Answer:**

- (d) All the above

**Question 3.**

A, B, C jointly promised to pay Rs.50,000 to D. Before performance of the contract, C dies. Here, the contract .....

- (a) Becomes void on C's death
- (b) Should be performed by A and B along with C's legal representatives.
- (c) Should be performed by A and B alone.
- (d) Should be renewed between A, B and D.

**Answer:**

- (b) Should be performed by A and B along with C's legal representatives.

**Question 4.**

Which of these parties cannot demand performance of promise?

- (a) Promisee
- (b) Any of the Joint Promises
- (c) On the death of a Promisee, his Legal Representative.
- (d) Stranger to the Contract

**Answer:**

- (d) Stranger to the Contract

**Question 5.**

A person is said to be a third person if he is not a .....

- (a) promisor
- (b) promise
- (c) agent
- (d) Legal Representative

**Answer:**

- (c) agent

## II. Very Short Answer Questions

**Question 1.**

State the ways of Performing a Contract.

**Answer:**

The following are the major ways of performance of a contract:

- Actual Performance
- Attempted Performance

**Question 2.**

Who is a Legal Representative?

**Answer:**

Legal representative can demand Exception performance. The contrary intention appears from the contract. The contract is of a personal nature.

**Question 3.**

Who is an agent?

**Answer:**

According to Para 2 of Section 40, the promisor may employ a competent person such as an agent to perform the promise if the contract is not formed on personal condition.

**Question 4.**

Define Reciprocal Promise.

**Answer:**

Promises which form consideration or part of the consideration for each other are called 'reciprocal promise'.

**Question 5.**

By whom must contracts be performed?

**Answer:**

The contract will be performed only by the promisee.

### **III. Short Answer Questions**

**Question 1.**

What is a Valid tender?

**Answer:**

A valid tender of performance is considered to be the performance of a promise.

**Question 2.**

Who can execute and Perform a Contract?

**Answer:**

The following persons can execute and perform the contract:

- Promisor himself
- Agent

- Representations
- Third-person
- Joint Promisors
- Time and Place of Performance of Promise'

**Question 3.**

Who can demand performance?

**Answer:**

1. Promisee – only a promisee can demand performance and not a stranger demand performance of the contract.
2. Legal Representative – legal representative can demand Exception performance. Contrary intention appears from the contract. The contract is of a personal nature.
3. Third-party – Exception to “stranger to a contract”.

**Question 4.**

Write a note on the benefits of Reciprocal Promise.

**Answer:**

Promises which form consideration or part of the consideration for each other are called 'reciprocal promise'. For example, X promises to sell his house to Y for Rs.5,00,000. The promises are reciprocal. X is the promisor to give the house and a promise to receive Rs.5,00,000. Y is the promise to receive the house and a promisor to pay Rs. 5,00,000.

**Question 5.**

Who is a Joint Promisors?

**Answer:**

According to Section 42 of the Indian Contract Act, there may be two or more creditors entitled to the same obligations, or two or more debtors under the same liability. Each of the debtors is bound in solidum (for the whole and not a proportional part). These persons are called joint promisors.

## IV. Long Answer Questions

### Question 1.

Explain rules relating to place of performance of promise.

#### Answer:

##### **Time and place of Performance of Promise:**

It is only the promisee for whom the contract is performed. Only the promisee can demand the performance of the promise under a contract.

#### For Example:

X promises Y to pay Z ₹ 10,000/-. X does not pay the sum to Z. Here Z cannot bind X for the payment. It is only promisee Y who can enforce the promise against the promisor X. Of course, there are certain special cases, where a third party can enforce a promise though he is not a party to the contract. For example in respect of trust, marriage settlement etc. In case of death of promisee, the representative appointed by him can ask for the performance of the promise under a contract.

### Question 2.

Elucidate the provision regarding time as factor in performance.

#### Answer:

Under Section 46, performance within a reasonable time: According to Section 46, a promisor is to perform his promise within a reasonable time. On the other hand, a reasonable time will depend upon the circumstance of the case, the usage of trade or on the intention of the parties entering into the contract. Example: A has given an order of supply of books in July which should be performed within 4 to 5 days of the month of July.

### Question 3.

How do you think appropriation of payments takes place?

#### Answer:

Appropriation means the application of payments – The question of appropriation of payments arises when a debtor owes several debts to the same creditor and makes a payment that is not sufficient to discharge the whole indebtedness.

Appropriation of Payments: Sometimes, a debtor owes several distinct debts to the same creditor and he makes a payment which is insufficient to satisfy all the debts. In such a case, a question arises as to which particular debt the payment is to be appropriated. Section 59 to 61 of the Act lay down the following rules as to the appropriation of payments which provide an answer to this question.