

CHAPTER	
1	The Indian Contract Act, 1872
Unit : 6	Contingent and Quasi – Contracts

- [1] (b) The Quasi contract is not a contract at all because one or the other essentials for the formation of a contract are absent. It is an obligation imposed by law upon a person for the benefit of another even in the absence of a contract. It is based on the principle of equity, which means **no person shall be allowed to unjustly enrich himself at the expense of another.**
- [2] (a) According to Section 30 of the Indian Contract Act, 1872, wagering agreements are those agreements between two persons under which money or money's worth is payable, by one person to another on the happening or non happening of a future uncertain event.
Therefore in this case where A says to B that he will give ₹ 500 to him if it rains and if does not rain B will give him the same it is a wagering contract as money i.e. ₹ 500 is payable by A to B on the happening of an uncertain event i.e. if it rains and vice versa from B to A if it does not rain.
- [3] (a) A contract between A and B where A agrees to pay B a sum of money if a certain ship does not return is a contingent contract and can only be enforced when the happening of that event i.e. returning of ship becomes impossible and not before. So when the ship is sank, the contract can be enforced by B and not before.
- [4] (c) The Indian Contract Act deals with the following quasi contractual obligations.
- (i) Claim for necessaries supplied to a person incompetent to Contract [Section 68].
 - (ii) Responsibility of finder of goods [Section 71].
 - (iii) Reimbursement of money paid, due by another [Section 69].
 - (iv) Obligation of person enjoying benefit of non gratuitous act [Section 70].
- [5] (b) Claim for necessaries of life supplied to a lunatic under Section 68 of the Indian Contract Act, can be enforced against the lunatics property or estate.
- [6] (c) A person who finds goods belonging to another and takes them into his custody, is subject to the same responsibility as bailee.

[7] (c) A quasi contract is not a contract at all because one or the other essentials for the formation of a contract are absent It is an obligation imposed by law upon a person for the benefit of another even in the absence of a contract.

[8] (b) Reimbursement can be claimed only of that amount which has not been paid voluntary, because if a person has paid anything out of his own willingness then there can be no reimbursement of such an amount.

Reimbursement can be claimed of that money which has been paid to discharge the legal liability of another person which was the obligation of that another person to discharge.

[9] (a) A person enjoying the benefits of a lawful non gratuitous act of another is liable to compensate the party from whom he has enjoyed the benefits.

[10] (d) The contract in which law creates certain rights and obligation similar to those of a contract are called quasi contract.

The outcome of quasi-contracts resembles that created by a contract. So far as claim for damages are concerned, there is a similarity between a Quasi-contracts and contracts because in case of breach of a quasi contract, Section 73 provides for the some remedies as provided in case of breach of contract.

[11] (d) V's act of consumption of goods constitutes an implied promise to pay under the principal to Quasi - contractual person for whom the act is done as V has enjoyed the benefit after consuming the goods which U has left.

[12] (b) A wagering agreement is a promise to give money or money's worth upon the determination or ascertainment of an uncertain event. Wagering agreements are void.

[13] (a) According to section 31 of the Act, contingent contract is a contract to do or not to do something, if some event collateral to such contract, does or does not happen.

Contracts of insurance are an example of contingent contracts. Contingent contracts are valid.

[14] (b) According to **Section - 31** of the Indian Contract Act, 1872, Contingent Contract is a contract to do or not to do something, if some event collateral to such contract, does or does not happen.

Example - Contracts of Insurance.

In the instant case, A promised to give ₹ 50,000 to B, if B is selected as the President of the co-operative society. This is a Contingent Contract. In this case, main event is giving of ₹ 50,000 by A to B and collateral event is election of B as the President of the co-operative society.

- [15] (d) An obligation may be imposed by law upon a person for the benefit of another even in the absence of a contract. Such cases are known as quasi-contracts. The obligation created in either of the cases is identical. Quasi Contracts are based on the principles of equity, justice and good conscience.

According to **Section - 68** of the Indian Contract Act, 1872, if necessaries are supplied to a person who is incapable of contracting, like a minor or a person of unsound mind, the supplier is entitled to claim their price from the property of incompetent person.

This is due to the contractual obligation imposed by law which results into a Quasi-Contract.

Therefore, in the instant case, A is entitled to be reimbursed out of B's property. This is a Quasi Contract as an obligation has been imposed by law through **Section-68**.

- [16] (a) According to **Section-31** of Indian Contract Act, 1872, contingent contract is a contract to do or not to do something, if some event collateral to such contract, does or does not happen.

From the above definition, we can infer that the event on which performance is made to depend, should be an event collateral to the contract as well as it should be uncertain i.e. the outcome should not be obvious.

- [17] (c) According to Section 30, wagering agreement are those agreements between two persons under which money or money's worth is payable by one person to another on happening or not happening of a future certain event.

Therefore, in case, where A agrees to pay ` 1,000 if it rains and if dose not B will give the same. It is **wagering contract** as it is uncertain.

- [18] (b) According to Section 31 of the Indian Contract Act, 1872 contingent contract is a contract to do or not to do, something, if some event collateral to such contract does, or does not happen. As the occurrence of a contingent contract is dependent on happening or non-happening of some event, it is known as a conditional contract.

- [19] (a) When a contingent contract is made to do or not to do anything if an uncertain future event does not happen it can be enforced only when the happening of that event becomes impossible. Hence, if such event happens the contract becomes void.

- [20] (d) Under the Indian Contract Act, 1872, essentials of a contingent contract includes –

Performance of a contingent contract is made dependant upon happening or non happening of some event.

- [21] (b) Sometimes, obligations may be imposed by law upon a person for the benefit of another, even in the absence of a contract. Such contracts are **quasi contracts** which are based on principles of equity, justice and good conscience.
- [22] (a) In a quasi contract, a obligation may be imposed by law upon a person for the benefit of another, even in the absence of contract.
- [23] (c) As per Sec 31, "contingent contract is a contract to do or not to do something, if some event collateral to such contract, does or does not happen.
- [24] (a) Sometimes, obligations may be imposed by law upon a person for the benefit of another, even in the absence of a contract. Such contracts are **quasi contracts** which are based on principles of equity, justice and good conscience. These contracts do not allow a person to retain unjust benefit at the expense of another.
- [25] (c) In case of every contract, the promisor voluntarily undertakes an obligation in favour of the promisee. A similar obligation may be imposed by law upon a person for the benefit of another even in the absence of a contract. Such cases are called **Quasi Contracts**.
- [26] (a) As per Section 31 of the act, contingent contract is a contract to do or not to do something if some event collateral to such contract does or does not happens.
Thus, **Contingent contracts** are enforceable by future events.
- [27] (c) In case of certain contracts, an obligation is imposed by law upon a person for the benefit of another even in the absence of a contract. Such contracts are known as Quasi contracts. E.g.- If necessaries are supplied to a person who is incapable of contracting like minor or a person of unsound mind, the supplier is entitled to claim their price from the property of such a person.
Thus, in the given case, the contract is a **Quasi contract**.
- [28] (b) The quasi contract is not a contract at all because one or the other essentials for the formation of a contract are absent. It is an obligation imposed by law upon a person for the benefit of another, even in the absence of contract. It is based on the principle of equity, which means **no person shall be allowed to unjustly enrich himself at the expense of another.**
- [29] (c) "A person who finds goods belonging to another and takes them into his custody is subject to the same responsibility as a bailee."
He is therefore, required to take proper care of things found, not to appropriate it to his own use and, when the owner is traced, to **restore it to the owner.**

- [30] (c) According to Section 30 of the Indian Contract Act, 1872, wagering agreements are those agreements between two persons under which money or money's worth is payable by one person to another on the happening or non-happening of future uncertain event.
- Therefore, in this case, where A says B that he will give ₹ 500 to him, if it rains and if it does not rain B will give him the same, it is a **wagering contract** as money i.e. ₹ 500 is payable, by A to B on the happening of an uncertain event i.e. if it rains and *vice-versa* from B to A if it does not rain.
- [31] (d) In certain circumstances the law presumes the existence of contract even though no agreement was made between the parties. Such cases are known as quasi contracts. Quasi contracts are based on **principles of equity, justice and good conscience**
- It rests upon the maxim, "No man must grow rich out of another person's loss."
- In India it is also called as "Certain relation resembling those created by contracts".
- [32] (c) The essentials of a contingent contract are:
- (a) The performance of contract is made dependent upon the happening or non-happening of some event
 - (b) The event should be a collateral event to the contract i.e. it does not form part of reciprocal promises
 - (c) Contingent event should not be the mere will of the promisor.
- Hence, the event being consideration for the promise is not an essential element of a contingent contract.
- [33] (d) Finder of lost goods is in the shoes of a bailee. He is bound to take reasonable care of the goods found and to search the true owner with diligence.
- However, if he is not able to trace the true owner after putting in reasonable efforts then he may sell the goods and recover the expenses incurred by him.
- [34] (a) The performance of a contingent contract is made dependent upon the happening or non-happening of some event. A contract may be subject to a conditions precedent or subsequent.
- It's performance is dependent upon the happening or non-happening of some collateral event.
- [35] (c) A wagering agreement is a promise to give money or money's worth upon the determination or ascertainment of an uncertain event. Thus, wagering agreement is essentially of a contingent nature i.e. to do or not to do something if some event, collateral to such contract does or does not happen.

- [36] (d)** A person who finds goods belonging to another and takes them into his custody is subject to the same responsibility as a bailee. He is, therefore, required to take proper care of things found, not to appropriate it to his own use, and when the owner is traced, to restore it to the owner. He must take as much care of the goods as a man of ordinary prudence would take of his own goods under similar circumstances.
Thus, the finder will not be liable for any kind of liability if he discharges the functions of a bailee.
- [37] (a)** A contract may be absolute or contingent. An absolute contract is one where the promisor undertakes to perform the contract in any event without any condition. Whereas Section 31 of the Act defines contingent contract as “a contract to do or not to do something, if some event collateral to such contract, does or does not happen”. eg. Contract of Insurance.
- [38] (d)** “A person who finds goods belonging to another and takes them into his custody is subject to the same responsibility as a bailee”. He is, therefore, required to take proper care of things found, not to appropriate it to his own use and, when the owner is traced, to restore it to the owner. Further, he must take as much care of the goods found as a man of ordinary prudence would, under similar circumstances, take care of his own goods of the same bulk, quantity and value as those of the goods found.
- [39] (c)** Quasi contract arises where obligations are created without a contract. Therefore, B is bound to pay A the price of goods as he used the goods.
- [40] (c)** A Contingent Contract is a valid contract only its performance is dependent on some future uncertain event which may or may not arise.