How should I write case study in law paper

ICAP exams are going to be more and more practical oriented in Law, Audit, Taxation, Accounting there are many questions based on case laws/practical situations. Therefore, it becomes imperative to know "How to answer a case law".

Now a days, in ICAP papers approximately 70 to 80 marks questions are based on case studies.

Law is a scoring paper and it becomes easier to score when the paper is case study oriented.

Because we can't remember the complete section/provision but we can recall a part of the section/provision and reproduce the same in our answer.

If the question paper has flat questions which simply require writing a complete section in the answer, we can't score as high as we can in case studies oriented paper. So don't think that it is tough to score when the paper is case study based.

Never think that the papers are lengthy and not manageable. I assure you that if you know the solutions of all the questions, you will definitely complete the paper well within time because when you know the solution, you won't take time to think. The only thing required to attempt the paper quite comfortably.

Simple technique

Take time to read the question. Understand it properly. Law is all about interpreting, analyzing and then applying the mind judiciously to handle practical situations. So understand the law properly.

If we answer the case laws in a logical and coherent manner, it's indeed easy to get marks. In my view, this technique should be followed to answer a case study oriented question: -

First paragraph:

When you read the question, try to recall the relevant provisions/sections of law. In the 1st paragraph you have to write those provisions of law on which the question is based.

Second paragraph:

In the 2nd paragraph, write the facts and circumstances of the given case. Write, what is given in the question. Your wordings can be-

"In the present case" or "In the given case" or "In the instant case" etc.

Third paragraph:

Finally, you have to arrive at a decision by comparing 1st paragraph and 2nd paragraph i.e. what is written in law and what is the present case. This is the most important part of the answer. You should make a right decision.

Case study

Mughal and Dawood are trading in rice. Dawood entered into a contract with Mughal for the purchase of 50 tons of rice. Dawood had private information of change in prices which would have affected Mughal's willingness to enter into the contract. When Mughal, through his own resources, came to know about the prices, he accused Dawood of fraud and repudiated the contract.

Under the provisions of the Contract Act, 1872 explain whether Mughal is justified in repudiating the contract.

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Answer

It is a case about silence as to fraud. As per Contract Act, 1872 mere silence as to facts likely to affect the willingness of a person to enter into a contract is not fraud, unless:

- circumstances of the case are such that parties stand in fiduciary relationship or
- where silence itself is equivalent to speech

In the given case Mughal and Dawood are rice traders. Dawood has entered into a contract for purchase of rice from Mughal on the basis of a private information about the price which was not known to Mughal. Mughal repudiated the contract accusing Dawood of fraud.

Mughal is not justified in repudiating the contract as Dawood was not bound to disclose the information to Mughal as they do not stand in fiduciary relation (utmost good faith). Both are rice traders and Mughal could discover the truth with ordinary diligence. As stated above mere silence as to the facts is not a fraud unless there is duty to disclose or where silence is equivalent is speech.

Case study

Amjad enjoys a very good credit standing in the market. Kashif, owner of Kashif Electronics, represents Amjad as his partner. Kalim on the faith of such representation supplied laptops to Kashif Electronics on credit. Kashif defaulted and Kalim filed a suit for the recovery of the amount against both Amjad and Kashif.

Under the provisions of the Partnership Act, 1932 analyse the above situation and explain whether Amjad would be liable to pay the outstanding amount to Kalim.

Technique

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Answer

It is a case about partner by estoppel or holding out. As per Contract Act, 1872 where a person holds himself or allows others to do it then they are stopped from denying the character he has assumed and upon faith of which creditors may be presumed to have acted.

In the given case Kashif, owner of Kashif Electronics represented Amjad as his partner and Kalim on the faith of such representation allowed credit to Kashif. Kashif defaulted in payment to Kalim and Kalim filed suit of recovery against both Kashif and Amjad.

In view of the above Amjad would be regarded as partner by estoppel or holding out because he knowingly permitted himself to be represented as a partner in the firm by Kashif. Kalim on the faith of such representation extended credit to the firm. Therefore, Amjad would be liable for the outstanding amount to Kalim. However, Amiad would not be considered as holding out partner if he has denied Kashifs representation in public holding him as a partner in the firm or if he has no knowledge of Kashifs representation.

Case study

Fauzia is working as a sales girl for a pottery store, owned by Mirza Baig, in a famous mall. Fauzia, in the absence of Mirza Baig, often displays her own pottery items on the shelves and uses her employer's time, resources and facilities to sell her own items.

Recently, on a surprise visit to the store, Mirza Baig caught Fauzia selling her own items in the store. Upon investigation, it was also revealed that on certain instances Fauzia had sold Mirza Baig's pottery wares at a higher rate than recommended and pocketed the difference.

Under the provisions of the Contract Act, 1872 identify the nature of contractual relationship between Fauzia and Mirza Baig. Discuss the duties breached by Fauzia and the rights available to Mirza Baig under the above circumstances.

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Answer

The question deals with the law of agency and the relationship between Fauzia and Mirza Baig is that of agent and principal. The agency relationship creates certain duties of agent (Fauzia) and the rights of principal (Mirza Baig). The duties of the agent are the rights of principal.

In the given case Fauzia being agent has breached her duties towards principal Mirza Baig which created rights of Mirza Baig against Fauzia.

In the given scenario, Fauzia breached her duties, which are discussed below:

(i) Duty to follow principal's directions:

Fauzia's first duty was to act within the scope of her authority and perform the agency work according to the directions given by the principal. Fauzia's selling her principal's items at a higher rate than recommended rate without his consent amounts to acting beyond her authority.

(ii) Duty to carry out work with reasonable diligence and in good faith:

Fauzia's act of using her principal's time, resources and facilities to sell her own items in place of her principal's items tantamount to breach of application of reasonable diligence and good faith.

(iii) Duty not to deal on her own account:

The action of Fauzia in placing her own items on the shelves indicates that her own personal interest was allowed to conflict with the interest of her principal.

(iv) Duty not to make any secret profit out of agency:

Fauzia's act of selling her principal's items at a higher rate and keeping the price difference into her own pocket amounts to making secret profit.

Following are the rights available to Mirza Baig under the given circumstances:

(i) Right to proper account:

Mirza Baig is entitled to get proper accounts of his money from Fauzia.

(ii) Right to receive benefits gained by agent (secret profit):

Since Fauzia was dealing on her own account in the business of agency, Mirza Baig has the right to ask Fauzia for surrendering all the benefits which may have resulted from the transactions (secret profit) to him. He is also entitled for the compensation of any loss caused to him due to Fauzia's misconduct.

(iii) Right not to pay remuneration:

Since Fauzia is guilty of misconduct, Mirza Baig is not required to pay any remuneration to Fauzia for that part of the business which she has misconducted.

(iv) Terminate the agency:

Mirza Baig has a right to terminate the agency relationship with Fauzia.