

**GOVERNMENT OF INDIA  
CENTRAL PUBLIC WORKS DEPARTMENT  
DEPARTMENTAL EXAMINATION FOR EXECUTIVE ENGINEERS/DD(H)**

**March. 2017  
LAW OF CONTRACT**

**Time: 3 Hours**

**Total Marks:100**

**Section – A**

1. Differentiate between: (Attempt any four) (4x5=20 marks)
- a. Percentage Rate Tender and Item Rate Tender
  - b. Performance Guarantee and Security Deposit
  - c. Mobilization Advance and Advance Payment
  - d. Upgradation works and Special repairs
  - e. Partnership Firm and Sole Proprietary Firm
  - f. Major component and Minor component in composite contract

**Section – B**

**Section –B contains nine questions and any eight are to be attempted (8x4=32 marks)**

2. How is the incentive for early completion of work computed under Clause 2A of GCC?
3. In one work, Letter of Acceptance was issued on 1<sup>st</sup> June, 2016. The site of work was handed over to contractor on 1<sup>st</sup> October, 2016. What is the stipulated date of start of work?

Contd.P..2....

4. If after the award of work, the Agency does not start the work and has not even signed the agreement, what action shall EE take as per GCC?
5. In an agreement, the nomenclature of item mentions the use of 20mm thick kota stone, but in the additional conditions attached, it is mentioned that kota stone of 25mm thickness shall be used. How would you resolve such a situation and what shall be your decision?
6. In Clause 9 of GCC, time limits for finalization of bills are stipulated. If there is a dispute as regards the rate of one extra item with the contractor and this dispute cannot be resolved in the said time limit, how will be the bill be finalized in such time limit?
7. In one case secured advance was given on bricks. Due to improper handling and storage by contractor, 50% of these bricks get broken. Is there any action which is required to be taken by EE, having observed such a situation at site? What action shall EE take?

8. A work was awarded for the construction of 50 Type-II residential quarters. After the award of work, a decision is taken by Engineer-in-Charge to restrict the scope of work to only 25 residential quarters as the remaining 25 quarters cannot be built due to poor soil conditions on the Ground (which is known post-Award of Work). Is there any compensation which Engineer-in-Charge shall have to pay to the contractor. If yes, how much?
9. What do you mean by Defect liability period?
10. What do we mean by 'Two bid' system in the process of call of tenders?

### Section – C

**Section-C contains ten questions and any eight are to be attempted (8x6=48 marks)**

11. What is the time limit in which the Agency is expected to deposit Performance Guarantee after issue of Letter of Acceptance by EE? Can this period be extended by EE? If the Agency does not submit PG even in this extended period, what action should EE take?

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12. At what rate is compensation levied, for delay in work as per provisions of Clause 2 of GCC? Who is the competent authority to levy such compensation ? What is the implication if the decision to levy compensation is badly delayed and has been taken a long time after the completion of work?
13. What are the circumstances based on which action under Clause 3 is initiated by the Engineer-in-Charge. What safe guards are to be taken by EE so that the termination is not held illegal later in the judicial scrutiny ?
14. In one case, the contractor has applied for shifting of milestones, citing valid hindrances in work, referring to Clause 5 of GCC.
  - (a) What is the time limit (as per Clause 5) within which the decision to extend mile-stones is to be given to the Agency.
  - (b) If this decision to shift milestones is delayed by CPWD, what implications it may cause; particularly when the amount against milestones has also been with-held by EE, as per Clause 2 of GCC?
15. Explain the scope of Clause 10C, 10CC and 10CA as all these clauses deal with the escalation during the contract period.

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16. What are the Labour Laws to be complied under Clause 19 of GCC?
17. What is the role of Dispute Resolution Committee (DRC) as per Clause 25 of GCC? What is the step-wise process to be followed before the disputes are referred to DRC?
18. What are the grounds, in Section 34 of Arbitration Act, based on which one can file application for setting aside Arbitral Award in Court of Law.
19. Define with reference to Workman Compensation Act, 1923
  - a) Employer
  - b) Total Disablement
  - c) Wages
20. Define with reference to Indian Contract Act, 1872
  - a) Agreement and Contract
  - b) Promisor and Promisee
  - c) Free Consent