

**CPT Law Test Paper: consideration & capacity to Contract**

**Marks: 60**

**Timing: 1 hrs.**

**Qn.1) Section.... of the Indian Contract Act declares that an agreement made without consideration is void.**

- A. Section 23
- B. Section 24
- C. Section 25
- D. Section 26.

**Qn.2) X invites Y for his son's wedding. Y accepts the invitation. In this case there is an agreement but no contract, since –**

- A. There is no consideration
- B. There is no intention to create legal relationship
- C. There is no written document
- D. There is no formal acceptance of the offer.

**Qn.3) The term consideration is used in the sense of quid pro quo which means**

- A. Something for value
- B. Some price
- C. Something in Return
- D. None of these

**Qn.4) The purchaser of immovable property who has notice that the owner of the land is bound by certain conditions or covenants created by an agreement affecting the land, shall be bound by such conditions, even though he is not a party to the original agreement containing those conditions or covenants.**

- A. True
- B. Partly True
- C. False
- D. None of the above.

**Qn.5) Which of the following is good and valid consideration?**

- A. Forbearance to sue
- B. Settlement with Creditors with lesser amount than committed
- C. Compromise of Disputed Claims
- D. All of the above.

**Qn.6) Consideration must move at the desire of the Promisor. If it is done at the instance of a third party or without the desire of the Promisor, it is -**

- A. Consideration
- B. Not consideration
- C. Offer
- D. Promise.

**Qn.7) Past consideration is valid in -**

- A. England only
- B. India only
- C. neither in England nor in India
- D. both in England and India.

**Qn.8) The assignee of a contract cannot enforce the promise since there is no consideration flowing from him to the Promisor.**

- A. True
- B. Partly True
- C. False
- D. None of the above.

**Qn.9) A promised to pay B, who had received summons, to appear at a trial in a civil suit, a certain sum being a compensation for loss of time during his attendance. The promise is void since -**

- A. Object is immoral
- B. Consideration is illusory (not fixed uncertain in nature)
- C. Agreement is in restraint of legal proceedings
- D. All of the above.

**Qn.10) A Husband who was separated from his wife executed a separation deed by which he promised to pay to the Trustees all the expenses for her maintenance. The agreement created a trust in favour of his wife. The agreement is -**

- A. Void due to lack of consideration
- B. Valid and could be enforced by the Wife
- C. Valid but not enforceable by the Wife
- D. Void but Court can entertain a petition by the Wife.

**Qn.11) Consideration must move at the desire of -**

- A. the Promisor
- B. the Promisee
- C. the Promisor or any third party
- D. both the Promisor and the Promisee.

**Qn.12) Payment of time-barred debt is:**

- A. Valid
- B. Void
- C. Illegal
- D. Voidable

**Qn.13) Promise to pay a time barred debt given in writing is \_\_\_\_\_**

- A. Valid
- B. Unenforceable
- C. Void
- D. Voidable

**Qn.14) A Hindu husband by a registered document, after referring to quarrels and disagreements between himself and his wife, promised to pay his wife a sum of money for her maintenance and separate residence. The above contract is void since -**

- A. Document is registered
- B. Agreement is in restraint of marital duties
- C. Natural love and affection was missing
- D. Agreement has an illegal object.

**Qn.15) A for natural love and affection, promises to give his son B Rs. 1,000 A puts his promise to B into writing and registers it. This is a -**

- A. Contract
- B. Acceptance
- C. Promise
- D. Offer.

**Qn.16) Rohan promises to make a gift of Rs. 10,000 towards the repairs of a temple. The trustees of the temple on the faith of his promise incur liabilities. Rohan does not pay. Can the trustees recover the promised amount from Rohan?**

- A. The trustee cannot recover anything from Rohan
- B. The trustee can recover to the extent of liabilities from Rohan
- C. The trustee can recover Rs. 10,000 from Rohan
- D. None

**Qn.17) Stranger to a \_\_\_\_\_ can sue.**

- A. Contract
- B. Consideration
- C. Promise
- D. Agreement

**Qn.18) A promise to pay, wholly or in part, a debt which is barred by law of limitation can be enforced if -**

- A. it is in writing
- B. is signed by the Debtor or his authorised agent
- C. either (a) or (b)
- D. both (a) and (b).

**Qn.19) An Executory Consideration can be -**

- A. Past
- B. Present
- C. Future
- D. Any one of the above

**Qn.20) H sued her father-in-law K to recover 15,000 Rs being arrears of allowance called Pin money payable to her by K under an agreement between K and H's father, consideration being H's marriage to K's son D, Both H and D were minors at the time of marriage. Which of the following statements is correct?**

- A. Agreement is in restraint of marital duties and hence void
- B. The agreement is void since H and D were minors.
- C. No suit can lie in a Court in respect of Pin Money due
- D. The promise can be made enforceable by H Being Beneficiary

**Qn.21) A who was badly in need of money offer to sell his piano, worth Rs. 8,500 to B for Rs. 5,000? B refused to buy. A gradually lowered his price until Rs. 2,500, which B accepted. Before the piano was delivered A received an offer of a larger sum from X and he refused to carry out the contract with B claiming that the consideration was inadequate, is A liable to pay damages to B for failure to carry out his part of contract ?**

- A. No, as the consideration was inadequate A cancelled the contract

- B. Yes, A is liable to pay damages to B for failure to carry out his part of the contract
- C. No, as the contract was made due to Undue influence
- D. Any of the above

**Qn.22) Which of the following in Void Contract?**

- A. Agreement the meaning of which is certain
- B. Agreement with unlawful consideration
- C. Agreements with major
- D. Agreement with inadequate consideration, if inadequacy is not supported by free consent

**Qn.23) An Executory Consideration -**

- A. is an outstanding liability on both the parties
- B. consists of a promise in future
- C. is a promise for a promise (Reciprocal promises for future)
- D. all the above.

**Qn.24) K signs a written promise to pay L a time barred debt. At the time of signing the promise, the amount is not ascertained. Hence, K promises to pay what is due, after taking accounts. The contract is -**

- A. Void
- B. Illegal
- C. Valid
- D. Voidable.

**Qn.25) Consideration in legal term defined in:**

- A. Section 2(d)
- B. Section 2 (e)
- C. Section 25 Second Para
- D. Section 16 (1)

**Qn.26) Where a witness who has received summons to appear at a trial, a promise to pay him anything beyond his expenses is -**

- A. void since consideration is illusory (Vague)
- B. valid
- C. unlawful
- D. in restraint of legal proceedings.

**Qn.27) Contract created to restrict the rights related to legal proceedings is**

- A. Void
- B. Valid
- C. Illegal
- D. None.

**Qn.28) Past consideration means -**

- A. The price received in the past without making even a proposal of any sort
- B. Price more than what the Promisor expected
- C. The price or service rendered at the desire or request of the Promisor in the past followed by a subsequent promise
- D. All of these.

**Qn.29) which of the following is the recognised exception to the rule of Privity of contract?**

- A. Trust or charge
- B. Marriage settlement and family arrangements

- C. Acknowledgement of payment
- D. All of the above.

**Qn.30) X receives money from Y for paying it to Z. X admits the receipt of that amount to Z. Z can recover the amount from X, even though the money is due from Y.**

- A. True
- B. Partly True
- C. False
- D. None of the above.

**Qn.31) Competence to contract means -**

- A. age of the parties
- B. soundness of mind of the parties
- C. both (a) and (b)
- D. intelligence of the parties.

**Qn.32) Claim for necessities of life supplied to a minor can be enforced against -**

- A. the Minor's property or estate
- B. any relative
- C. the minor personally on attaining majority
- D. the guardian, if any, of the minor.

**Qn.33) Minor entering into contracts of apprenticeship, or for training or instruction in a special art, education, etc. are permissible since -**

- A. all contracts by a Minor are valid
- B. such contracts generates benefits to the Minor
- C. such contracts are outside the purview of the Indian Contract Act
- D. all of the above.

**Qn.34) Which of these has been held as "a Necessary"?**

- A. Mobile Phone
- B. Clothing to suit the person's social status
- C. Intoxicating drinks
- D. Internet Connection.

**Qn.35) Necessaries consist of -**

- A. Tangible Goods
- B. Services
- C. Either (a) or (b)
- D. Neither (a) nor (b).

**Qn.36) A Convict undergoing imprisonment can enter into contracts only when the term is completed.**

- A. True
- B. Partly True
- C. False
- D. None of the above.

**Qn.37) A Minor cannot become a Partner but -**

- A. can be a Sleeping Partner
- B. can be admitted to the benefits of Partnership
- C. either (a) or (b)
- D. both (a) and (b).

**Qn.38) On attaining age of majority, a Minor's agreement**

- A. is void

- B. cannot be ratified
- C. becomes void
- D. becomes valid.

**Qn.39) A sane man, who is delirious from fever or who is so drunk that he cannot understand terms of a contract or form a judgment, cannot contract while such delirium or drunkenness lasts.**

- A. True
- B. Partly True
- C. False
- D. None of the above.

**Qn.40) Where a Minor acts as an agent -**

- A. he binds his Principal by his acts
- B. he also incurs personal liability
- C. both (a) and (b)
- D. neither (a) nor (b).

**Qn.41) For claiming reimbursement for supply of goods /services, from the property of Minor -**

- A. The goods must be 'necessaries', for the particular minor having regard to his status or standard of life.
- B. Minor must be in need of those goods both at the time of sale and delivery
- C. Contracts should be beneficial to the minor, even if it is not for supply of necessities
- D. All of the above.

**Qn.42) Identify the incorrect sentence from the following.**

- A. A Minor can be a beneficiary
- B. A Minor can be admitted to the benefits of a Partnership
- C. A Minor cannot plead minority
- D. A Minor can be held liable in tort.

**Qn.43) A Minor can be an Agent and bind his Principal/parents or guardian acting in capacity of Principal.**

- A. True
- B. Partly True
- C. False
- D. None of the above.

**Qn.44) A person who is not an Indian Citizen is an Alien. Contracts with an alien friend, subject to certain restrictions are -**

- A. Void
- B. Unenforceable
- C. Valid
- D. Invalid.

**Qn.45) The parties to a contract should be.... to contract.**

- A. Competent
- B. Incapacitated
- C. Able
- D. Reliable.

**Qn.46) Where a Minor has received any benefit under a Contract, he -**

- A. can be asked to refund the same
- B. cannot be asked to refund the same
- C. has to refund the benefit after attaining majority
- D. can ask for similar benefits after attaining majority.

**Qn.47) Any money advanced to a minor under a mortgage during his minority cannot be recovered.**

- A. True
- B. Partly True
- C. False
- D. None of the above.

**Qn.48) J supplies to L, a Minor, necessaries suitable to his condition of life. J is entitled to be reimbursed -**

- A. from L's property
- B. by L personally
- C. by L's guardians
- D. any of the above.

**Qn.49) .....are goods suitable to the condition in the life of the Minor, and to his actual requirements at the time of sale and delivery.**

- A. Necessaries
- B. Goods
- C. Life Style Products
- D. Luxuries.

**Qn.50) A Minor's agreement is void. This was held in the case of -**

- A. Mohiri Bibee Vs. Dharmadas Ghosh
- B. Nihal Chand Vs. Jan Mohamed Khan
- C. Suraj Narain Vs. Sukhu Aheer
- D. Chinnaiya Vs. Ramaiya.

**Qn.51) A person is disqualified to enter into Contracts if he is**

- A. An alien Enemy
- B. An Insolvent
- C. A Convict undergoing imprisonment
- D. All of the above.

**Qn.52) A Minor can be held liable in tort i.e. civil wrong, Minor will not be liable.**

- A. True
- B. Partly True
- C. False
- D. None of the above.

**Qn.53) G, a Minor and a professional billiards player, agreed with R, a leading professional player, to go on a world tour, competing against each other in matches. G was to pay a certain sum of money to R for this purpose and also for learning the game. R made all arrangements for the matches and spent money, but G refused to go. R sued G and claimed damages for breach of his contract. In this case -**

- A. Contract with the Minor G is wholly void
- B. Contract is void but G is not liable to pay damages

- C. Contract is for G's benefit and hence G's estate is liable to pay damages
- D. Contract is valid but not enforceable.

**Qn.54) A Corporation cannot enter into Contracts that are -**

- A. ultra vires (beyond powers of) its Memorandum of Association
- B. strictly of a personal nature as company is only an artificial person
- C. either (a) or (b)
- D. neither (a) nor (b).

**Qn.55) A Minor Speculated in the Stock Exchange and became liable to Stock Brokers for 1 Lakh Rs. Subsequent to attaining majority, he gave two bills of exchange for 45,000 Rs each in satisfaction of the original debt.**

- A. Minor is liable for 1 Lakh Rs
- B. Minor is liable for 90,000 Rs
- C. Minor is liable for 10,000 Rs
- D. Minor is not liable for any amount.

**Qn.56) A Minor enters into a contract for the purchase of certain necessaries. In such a case -**

- A. he is liable to return the necessaries
- B. he is liable to pay
- C. his estate is liable to pay
- D. his guardian is liable to pay.

**Qn.57) A convict when undergoing imprisonment**

- A. Is capable of entering into a contract
- B. Is incapable of entering into a contract
- C. Is capable of entering into a contract, if it is permitted by the Court
- D. Is capable of passing on consideration.

**Qn.58) A Mortgage was executed in favour of a Minor. Can the Minor get a decree (court's order) for the enforcement of the Mortgage?**

- A. Yes
- B. No
- C. Yes, If ordered by the Court
- D. Mortgage is invalid.

**Qn.59) Capacity to contract has been defined in -**

- A. Section 10
- B. Section 11
- C. Section 12
- D. Section 25.

**Qn.60) D, a Minor, entered into a contract for borrowing a sum of Rs. 20,000 out of which lender paid him a sum of Rs. 8,000 D executed mortgage of property in favour of the lender. The mortgage is -**

- A. valid to the extent of 8,000 Rs only
- B. valid to the extent of 20,000 Rs
- C. totally invalid
- D. validated on attaining majority.