

CA CPT Law

Multiple Choice Questions

The Basics of the Indian Contract Act, 1872

1. The Indian Contract Act, 1872 is dividend into..... Chapters.
 - a) 3
 - b) 8
 - c) 10
 - d) 12
2. The Law of Contract is noting but
 - a) A child of commercial dealing
 - b) A child of religion
 - c) A child of day to day politics
 - d) A child of economics
3. The Contract Act came into force
 - a) From 1 September, 1872 but with retrospective effect
 - b) Before 1 September, 1872
 - c) From 1 September, 1872
 - d) After 1 September, 1872
4. The Contract Act applies to
 - a) Contracts made before 1 September, 1872
 - b) Contracts made on 1 September, 1868
 - c) Contracts made before 1 September, 1872 and to be enforced after 1 September, 1872
 - d) Contracts made on and after 1 September, 1872
5. An Indian mercantile law is based upon
 - a) Indian culture
 - b) British culture
 - c) England law
 - d) American law
6. An agreement consists of reciprocal promises between at least
 - a) Four parties
 - b) Six parties
 - c) Three parties
 - d) Two parties
7. Contractual rights and duties are created by
 - a) State
 - b) Statute
 - c) Parties
 - d) Custom or Usage
8. In India, the express provisions of the Contract Act applies to
 - a) Hindus
 - b) Mohammedan
 - c) Business man
 - d) All of the above
9. Who said "Contract is an agreement creating and defining obligations between parties?"
 - a) Peter Drucker
 - b) Salmond
 - c) Austin
 - d) Drucker
10. Agreement is defined in Section..... of the Indian Contract Act, 1872.
 - a) 2(c)
 - b) 2(e)
 - c) 2(g)
 - d) 2(i)
11. Every promise and every set of promise forming the consideration for each other is a/an
 - a) Contract
 - b) Agreement
 - c) Offer
 - d) Acceptance
12. Where there is no express provision in Contract Act, the following prevails and applied for deciding the cases
 - a) The provisions of any law of the land
 - b) The usage of the trade
 - c) The provisions of personal law
 - d) Any of the above if not inconsistent with the provisions of the Contract Act
13. Who said, "Every Agreement and Promise enforceable at law is a contract?"
 - a) Austin
 - b) Benjamin
 - c) Pollock
 - d) Balfour
14. The provisions of Indian Contract Act override
 - a) The provisions of Hindu law
 - b) The provisions of Mohammedan law
 - c) Usage or customs of trade
 - d) All of the above
15. A promises to deliver his watch to B and, in return, B promises to pay a sum of Rs 2,000. This is a/an
 - a) Agreement
 - b) Proposal
 - c) Acceptance
 - d) Offer
16. Contract is defined as agreement enforceable by law, vide Section..... of the Indian Contract Act.
 - a) 2(e)
 - b) 2(f)
 - c) 2(h)
 - d) 2(i)
17. A contract or an obligation to perform a promise could arise by
 - a) Agreement and Contract

- b) Promissory Estoppel
 c) Standard form of contracts by promise
 d) All of the above
18. A sells his car to B. A has a right to recover the price of the car from B. This right is a
 a) Right in rem
 b) Right in personam
 c) Right in rem as well as right in personam
 d) Moral right
19. A owns a residential flat. He is entitled to quiet possession and enjoyment of his property. This is called
 a) Rights in Personam
 b) Rights in Rem
 c) Moral Right
 d) There is no right at all
20. A owes Rs 1 lakh to B. B is entitled to recover this amount from A. This is called
 a) Rights in Personam
 b) Rights in Rem
 c) Constitutional Right
 d) There is no right at all
21. A contract creates
 a) Rights in Personam
 b) Rights in Rem
 c) No obligations
 d) Only obligations and no rights
22. Valid Contracts
 a) Are made by free consent
 b) Are made by competent party
 c) Have lawful consideration and lawful object
 d) All of the above
23. A lends Rs 10 lakh to B for a year, After one year A's right to recover the money from B is a
 a) Right in rem
 b) Right in personam
 c) Moral right
 d) Civil right
24. What comes first in a valid contract is
 a) Enforceability
 b) Money
 c) Force
 d) None of the above
25. A has bought a house for Rs 50,000. Which of the following right is available to A after the purchase?
 a) He has a right against the seller to have quiet possession of the house and enjoy in it
 b) He has a right against the whole world to have quiet possession of the house and enjoy in it
 c) He has moral right over the house
 d) He has a right to live in the house but cannot sell
26. An agreement not enforceable by law is said to be void under section.... Of the Indian Contract Act.
 a) 2 (a)
 b) 2 (b)
 c) 2 (f)
 d) 2 (g)
27. An agreement to commit a tort is
 a) Void
 b) Voidable
 c) Valid
 d) Unenforceable
28. Agreement to murder a person
 a) Cannot be enforceable by law
 b) Is valid in law
 c) In invalid for want of consideration
 d) Has no consensus ad idem
29. Agreements that do not give rise to contractual obligations are not contracts.
 a) True
 b) Partly True
 c) False
 d) None of the above
30. A invites B for his son's wedding. B 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
31. A invites B for coffee in coffee-day restaurant and B accepts the invitation. On the appointed date, B goes there but A is not found. In this case
 a) B has no remedy against A
 b) B has to wait for another invitation from A
 c) B has the right to sue A for not honoring his words
 d) A has to invite B again, to perform the promise.
32. A promises to give Rs. 5,000 per month pocket money to his son B. If A does not give the pocket money
 a) B can sue his father
 b) B has no remedy against A
 c) B can accept a lower pocket money also
 d) B has to give Rs. 5,000 to his father

33. A and B of Srinagar entered into a contract on 1st September, 2006 as per the provisions of the Indian Contract Act. Can they enforce the contract?
- Yes, because they made the contract as per the provisions of Indian Contract Act
 - No, because Srinagar is not a part of Indian
 - No, because the Act does not extend to the State of Jammu and Kashmir
 - None of the above
34. A promised to pay his son B a sum of Rs 1 lakh if B passed CA exams in the first attempt. B passed the exam in the first attempt, but A failed to pay the amount as promised. B files a sit for recovery of the amount. State whether B can recover the amount under the Indian Contract Act, 1972.
- B can sue A
 - B has to pay Rs 1 Lakh to A
 - B has no remedy against A
 - B has to write the exam again, to claim the reward
35. A contract creates
- Rights and obligations of the parties to it
 - Obligations of the parties to it
 - Mutual understanding between the parties to it
 - Mutual lawful rights and obligations of the parties to it.
36. In agreements of purely domestic nature, the intention of the parties to create legal relationship is
- To be proved to the satisfaction of the Court
 - Presumed to exist
 - Required to the extent of consideration
 - Not relevant at all
37. An agreement is valid
- Which creates legal and social obligations of the parties
 - Which creates rights of a party
 - Which is written on a piece of paper and signed by the parties
 - Which creates legally binding right and obligations of the parties to it.
38. Voidable contract is one
- Which is lawful
 - Which is invalid
 - Which is valid as long as it is not avoided by the party entitled to do so
 - Which is unlawful
39. When the contract is perfectly valid but cannot be enforced because of certain technical defects. This is called
- Unilateral Contract
 - Bilateral Contract
 - Unenforceable Contract
 - Void Contract
40. is without any legal effect and cannot be enforced in a Court of Law.
- Valid Contract
 - Void Contract
 - Voidable Contract
 - Unenforceable Contract
41. According to provisions of Indian Contract Act, 1872 void agreement and void contract is the same.
- True
 - False
 - Parlty True
 - Parlty False
42. The legal effect of void agreement and void contract is the same.
- True
 - False
 - Parlty True
 - Parlty False
43. A void agreement is void ab intio but a void contract is not void ab intio.
- True
 - False
 - Parlty True
 - Parlty False
44. A contract needs to be written, registered and signed by parties and witnessed
- If any party wishes so
 - If the Contract Act directs so
 - If the law governing the contract requires so
 - If the consideration is of large amount
45. A and B contract to marry each other. Before the time for the marriage, A goes and mad. The contract becomes
- Void
 - Illegal
 - Valid
 - Voidable
46. Is forbidden by law. The Court will not enforce such a contract.
- Valid Contract
 - Illegal agreement
 - Voidable Contract
 - Unenforceable Contract

47. A contracts with B to beat his business competitor. This is an example of
- Valid Contract
 - Illegal agreement
 - Voidable Contract
 - Unenforceable Contract
48. Is made by words spoken.
- Express Contract
 - Implied Contract
 - Tacit Contract
 - Unlawful Contract
49. is made by words written.
- Express Contract
 - Implied Contract
 - Tacit Contract
 - Unlawful Contract
50. A appoints B as his agent, by way of a power of attorney. This is an example of
- Express Contract
 - Implied Contract
 - Tacit Contract
 - Unlawful Contract
51. Implies a contract though the parties never expressed their intention to enter into a contract.
- Express Contract
 - Implied Contract
 - Tacit Contract
 - Unlawful Contract
52. Where a contract has to be inferred from the conduct of parties, it is called
- Express Contract
 - Implied Contract
 - Tacit Contract
 - Unlawful Contract
53. Drawing cash form ATM, sale by fall of hammer at an auction sale, etc., are example of
- Express Contract
 - Implied Contract
 - Tacit Contract
 - Unlawful Contract
54. Is a one-sided contract in which only one party has to perform his promise or obligation.
- Void Contract
 - Illegal agreement
 - Unilateral Contract
 - Bilateral Contract
55. An agreement is
- Enforceable by law if it meets the requirements of the law of the land
 - Enforceable by law if any one party want it
 - Enforceable against the law
 - Enforceable by law if it is made by competent parties
56. Where the obligation in a contract is outstanding on the part of both parties, it is called
- Void Contract
 - Illegal agreement
 - Unilateral Contract
 - Bilateral Contract
57. A agrees to sell his DVD player to B promising to deliver it on the date of payment. B promises to pay the amounts within one month. This is an example of
- Void Contract
 - Illegal agreement
 - Unilateral Contract
 - Bilateral Contract
58. Where a particular type of contract is required by law to be in writing and registered, it must comply with necessary formalities as to writing, registration and attestation. Otherwise, such a contract is
- Void Contract
 - Illegal agreement
 - Unilateral Contract
 - Bilateral Contract
59. All illegal agreement are void; but all void agreements are not illegal.
- True
 - Partly True
 - False
 - None of the above
60. An offer and its acceptance is the basic requirement of an agreement and as per this requirement, an offer by one party
- Should be made to the other who is related to him
 - May also be made to himself
 - Should be made to another who may or may not be related to him
 - Should be made to another before the Registrar
61. According to enforceability, the contracts may be classified as
- Valid Contracts
 - Void Contracts
 - Voidable contracts
 - All of the above
62. According to English Law, the contracts may be classified as
- Formal Contract
 - Simple Contract

- c) Contract under seal
 d) All of the above
63. In social agreements, the usual presumption is
 a) That parties do not intend to create social relations
 b) That parties intend to perform them
 c) That parties do not intend to make legal and social relations
 d) That the parties do not intend to create legal relations between them
64. A promised to marry B. Later on B died. This contract of marriage
 a) Becomes void
 b) Is void from very beginning
 c) Is valid
 d) Is illegal now
65. An implied contract is the one which comes into existence on account of
 a) Conduct of the parties
 b) Non-availability of a paper for writing
 c) Inability of the parties to write or speak
 d) Directions given by a court
66. A, a tradesman, left certain goods at B's house by mistake. B treated and used the goods as his own. In this case, B is
 a) Not liable to pay for the goods
 b) Liable to be prosecuted under law
 c) Liable to pay for the goods
 d) Bound to inform police
67. A contract in which, under the terms of a contract, nothing remains to be done by either party is known as
 a) Executed contract
 b) Executory contract
 c) Unilateral contract
 d) None of the above
68. A contract in which, under the terms of a contract, one or both the parties have still to perform their obligations in future, is known as
 a) Executed contract
 b) Executory contract
 c) Unilateral contract
 d) None of the above
69. A contract entered on 31st October, 1872 is governed by the Indian Contract Act, 1872
 a) If it was entered into India
 b) If its performance was after 31st October 1872
 c) If it was not performed at all
 d) Any of the above
70. Contracts classified on the basis of performance are
 a) Executed Contracts
 b) Executory Contracts
 c) Partly Executed or Partly Executory Contracts
 d) All of the above
71. Express contract means a contract made by
 a) Words either spoken or written
 b) Documents
 c) Both words and documents
 d) All of the above
- Offer and Acceptance of the Offer
72. The term "offer" has been defined in
 a) Section 2(a)
 b) Section 2 (b)
 c) Section 2 (C)
 d) Section (d)
73. When a person signifies to another his willingness to do or to abstain from do-ing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to
 a) Enter into a contract
 b) Make a proposal
 c) Entered into agreement
 d) Entere into contract
74. An implied offer means an offer made
 a. By spoken words
 b. By SMS
 c. By body language
 d. By both (a) and (c)
75. A proposal may consist of a promise for
 a) Doing an act
 b) Abstaining from doing an act
 c) Either (a) or (b)
 d) Returning the consideration
76. An offer may be made
 a. By words
 b. By conduct
 c. Either (a) or (b)
 d. Neither (a) nor (b)
77. Offer can be accepted by
 a) Offeror
 b) Offeree
 c) Promisor
 d) Either (a) or (b)
78. An acceptance of offer may be made
 a) By words
 b) By conduct
 c) Either (a) or (b)
 d) Neither (a) nor (b)

79. A specific offer is the one which is made
- By A to B
 - By a father to his only son for sale of his factory to him
 - By a father of a girl, to the father of the only son for her marriage
 - By all of the above
80. If A says to B "I offer to sell my car to you for Rs. 2 Lakhs and B accepts the offer by saying clearly "I accept your offer". It is an
- Implied offer
 - Express offer
 - General offer
 - Counter offer
81. A offers to sell his car on internet, it is
- Express offer
 - Implied offer
 - Particular offer
 - No offer
82. B makes to memorize a proposal to his parrot and sends him to A to recite the proposal. The parrot does so. The proposal is
- Valid
 - Void
 - Unlawful
 - Illegal
83. A bid at an auction sale is
- An implied offer
 - An express offer
 - An invitation to offer
 - An invitation to come
84. Forbearance of party from doing something also constitutes a valid offer.
- True
 - Party True
 - False
 - None of the above
85. An offer which is allowed to remain open, for acceptance over a period of time is known as a/an
- Standing Offer
 - Specific Offer
 - Express offer
 - Implied offer
86. An offer made to a specific person is known as
- Standing Offer
 - Specific offer
 - Special offer
 - Separate Offer
87. An offer made to group of persons is known as
- Standing Offer
 - Specific offer
 - Special offer
 - Separate Offer
88. Can be accepted only by the person or group to whom the offer is made
- Standing Offer
 - Specific offer
 - Special offer
 - Separate Offer
89. A advertises in paper that any person who found his lost dog can get a reward of Rs. 5000. Any person who finds the dog can claim the reward. This is a case of
- General offer
 - Specific offer
 - Implied offer
 - Invalid offer
90. To make a valid General offer, it is necessary for the offeree to be known to the Offerer at the time of Making the offer.
- True
 - Party true
 - False
 - None of the above
91. In a Specific offer, it is necessary for the offeree to be known to the Offerer at the time of Making the offer.
- True
 - Party true
 - False
 - None of the above
92. Communication of a proposal is complete when it comes to the knowledge of
- The person to whom it is made
 - The proposer
 - Either (a) or (b)
 - The central government
93. A proposes by letter, to sell his horse to B at Rs. 10,000. Communication of the proposal is complete when
- A posts the letter
 - B receives the letter
 - B acknowledges to A that he has received the letter
 - Either (b) or (c), whichever is earlier
94. The terms of an offer must be intended to create legal relations.
- True
 - Partly True
 - False
 - None of the above

95. Terms of an offer must be
- Ambiguous
 - Uncertain
 - Definite
 - Vague
96. An offer may be
- conditional
 - Unconditional
 - Both (a) and (b)
 - Either (a) or (b)
97. An offer may be
- Expressed
 - Implied
 - Both (a) and (b)
 - Either (a) or (b)
98. A offers B to sell his house for Rs. 15 lakh and directs him to send his acceptance only by e-mail B sends a letter of acceptance by post. This is
- valid acceptance
 - invalid acceptance
 - valid acceptance if a does not reject
 - no acceptance at all
99. a offered to take a house on lease for a period of 3 years if the house was hand- somely decorated. Here, there is no offer since
- there is no legal obligation
 - there is no communication of offer
 - The terms of offer are too vague
 - The offer is conditional
100. Offer should not contain a term, the non compliance of which would amount to acceptance.
- True
 - Party True
 - False
 - None of the above
101. Which of the following conditions is not necessary for a Valid offer ?
- Intention to create legal relation
 - Unconditional tems
 - Certainty of terms
 - Communication to the person to whom it is made
102. Which of the following conditions is not necessary for a valid offer ?
- intention to obtain consent of the offeree
 - Communication to the person to whom it is made
 - Intention to create legal obligation
 - Expressed in written form
103. When a person invites the other paty to make an offer he is said to make a/an
- Proposal
 - Offer
 - Invitation to offer
 - Acceptance
104. Is expression of initial intention.
- Invitation to offer
 - Offer
 - Proposal
 - Acceptance
105. is expression of final will ingness to perform a promise.
- Invitation to offer
 - Offer
 - Bid
 - Acceptance
106. Application filled in by a prospective applicant to the Company is an example of
- Invitation to offer
 - Offer
 - Bid
 - Acceptance
107. Statement of lowest price at which the seller would sell his goods constitutes
- A valid contract
 - A implied contract
 - An express contract
 - No contract
108. Which of the following results in an offer ?
- A declaration of intention
 - An invitation to offer
 - An advertisement offering reward to anyone who finds the lost dog of the advertiser
 - An offer made in a joke
109. Which of the following is an invitation to offer?
- A tender to supply goods at a certain time
 - A request for a loan
 - Bids in an auction sale
 - A catalogue of goods for sale
110. Price Lists and Catalogues, Advertisements in news papers, and enquiries from customers are
- Offers
 - Invitations to offer
 - Acceptances
 - Cross-offers
111. Goods displayed in a shop with a price label is
- An offer
 - An Invitation to offer
 - A Counter offer
 - A contra-offer
112. A notice inviting tender is an offer.
- True

- b) An Invitation to Offer
 c) A Counter – Offer
 d) A Contra – Offer
113. 'A' invites tenders for the supply of 10 quintals of cotton. 'B', 'C' and 'D' submit their tenders. A contract is concluded when
 a) 'A' invites tenders
 b) 'A' receives tenders of B,C and D
 c) 'A' accepts the tender of any of the parties
 d) There is no contract at all
114. There is a Counter- offer when
 a. The offeree gives conditional acceptance
 b. The Offeree makes a freser
 c. The fferee makes some query
 d. The offeree accepts it
115. When the offers made by two persons to each other containing similar terms of bargain cross each other in post, they are known as
 a) Cross Offers
 b) implied Offers
 c) Direct Offers
 d) Express offers
116. A offers to sell his car for Rs. 50,000 to B.B says he would buy it for Rs. 40,000. This is a case of
 a) Counter offers
 b) Implied offers
 c) Direct offers
 d) Express offers
117. A sends a letter to B Proposing to sell his Land. B Sends his acceptance by post. A can revoke the offer at any time before B posts his letter of acceptance, but not afterwards.
 a) True
 b) Partly True
 c) False
 d) None of the above
118. In which of the following circumstances, does the offer come to an end ?
 a) Lapse of time
 b) Counteroffer
 c) Death of offerer or offeree before acceptance
 d) All of the above
119. In which of the following Circumstances. Does the offer come to an end ?
 a) Non Acceptance of Condition
 b) Acceptance not in the prescribed mode
 c) Change in law or circumstances
 d) All of the above
120. An offer comes to an end after the expiry of
 a) Time stipulated for acceptance
 b) A reasonable time
 c) Either (a) or (b)
 d) Nether (a) nor (b)
121. An offer lapses to an end when the Offeree
 a) Fails to fulfill a condition precedent to acceptance
 b) Does not accept the condition
 c) Either (a) or (b)
 d) Neither (a) nor (b)
122. A proposal is revoked by the death of the Proposer, if the fact of his death comes to the Knowledge of the Acceptor
 a. Before acceptance
 b. After acceptance
 c. During acceptance
 d. Any of the above
123. Death of offeree before acceptance terminates the offer.
 a) True
 b) Partly True
 c) False
 d) None of the above
124. A applied for 1000 shares in a Company on 1st May. The Company allotted shares on 1st November of that year A refused the Shares. Is A's action valid ?
 a) Yes , Shares Cannot be allotted oon the faith of letter Written by A
 b) Yes , Shares Cannot be allotted in the second half of a calendar year
 c) Yes , Offer lapsed as it was not accepted within a reasonable time
 d) No , A has to accept and pay for the shares of revocation of offer have been
125. An offer can be accepted by
 a) Notice of acceptance
 b) Performance of condition specified in the offer
 c) Acceptance of consideration for a reciprocal promise
 d) All of the above
126. Acceptance may be
 a) Express
 b) Impiled
 c) Neither (a) nor (b)
 d) Either (a) or (b)
127. Implied offers can be proved only by
 a. Words
 b. Conduct
 c. Circumstantial evidence
 d. Prima facie evidence

128. An acceptance containing additions, limitations or other modifications shall amount to
- Rejection of the offer
 - A counter offer
 - A valid acceptance
 - Both (a) & (b)
129. specific offer can be accepted by
- any person
 - any friend of offerer
 - only the person to whom it is made
 - any friend of offeree
130. a general offer can be accepted by
- sending a communication of acceptance
 - mental acceptance of offer
 - complying with the conditions of offer
 - making a counter offer
131. in cases of general offer, for a valid contract, the Acceptor
- must have the knowledge of the offer
 - need not have the knowledge of the offer
 - may acquire the knowledge of the offer after the performance of the condition amounting to acceptance
 - should not accept at all
132. acceptance can precede an offer
- true
 - partly True
 - false
 - none of the above
133. A offered a reward to anyone who has returned his lost dog. B brought the dog to A without having heard of the offer which of the following statements is correct ?
- B is entitled to the reward
 - B was not entitled to the reward
 - A has to find the dog himself
 - No reward can be given for return of lost dog
134. An acceptance is valid
- When offeree adds his conditions with acceptance
 - When offeree accepts all the conditions of the offer
 - When it is not against the interest of any person
 - When acceptance is caused by coercion
135. Acceptance to an offer may be given by
- Any person
 - Competent person
 - Authorized person
 - Both by (b) and (c)
136. In order to convert a proposal into a promise the acceptance must be
- Absolute
 - Unqualified
 - Express
 - All of the above
137. Acceptance to an offer may be given by
- Adding conditions
 - Accepting conditions of the offer
 - Accepting consideration sent by the offer
 - Both (b) and (c)
138. Which of the following constitute invalid acceptance?
- Mental acceptance without communicating to Proposer
 - Failure to respond to the Proposer
 - Silence on the part of the Offeree
 - All of the above
139. An offer was sent by post. The Acceptor wrote "Accepted" on the letter, put it in his drawer and forgot about it. The transaction is
- A valid contract
 - Not an agreement as the acceptance was never communicated to the Proposer
 - A voidable Contract
 - A void contract
140. A send a letter of acceptance to an offer made by B. letter is still in the transit of post. The part bound by the acceptance is
- A
 - B
 - Both A and B
 - None
141. When no mode is prescribed by the offer for the acceptance of his offer, such acceptance shall be made.
- By telephone
 - As desired by the offeree
 - In some usual and reasonable manner
 - None of the above
142. An acceptance is not according to the mode prescribed, but the offeror decides to keep quiet. In such a case there is
- A contract
 - No contract
 - A voidable Contract
 - An unenforceable contract
143. Communication of acceptance is complete as against the Proposer
- Only when it comes to the Knowledge of the Proposer

- b) Only when the acceptance is communicated to the Proposer
c) Only when it is put in the course of transmission to him so as to be out of power of the Acceptor
d) None of the above
144. Communication of acceptance is complete as against the Acceptor, only
a) When it is put in the course transmission
b) When it comes to the knowledge of the Proposer
c) When it is communicated to the Acceptor that the acceptance has reached the Proposer
d) All of the above
145. Where a letter of acceptance sent by post is lost in transit there is
a) No contract as the acceptance has not come to the knowledge of the offeror
b) No contract as the acceptance has not been communicated to the offeror
c) A contract as the letter of acceptance is put in the course of transmission
d) All of the above
146. Which of the following is incorrect?
a) A valid contract results from identical cross offers
b) Communication of an offer is complete when the letter of offer is posted though it has not reached the person to whom the offer is made
c) An offer and invitation to the offer are the same
d) All of the above
147. Even if the letter is lost in transit acceptance is still valid provided that the Acceptor has
a) Properly addressed is
b) Affixed correct value of postage stamps
c) Either (a) and (b)
d) Both (a) and (b)
148. In case of special conditions in a contract, it should be communicated to the offeree
a) At any time
b) Before entering into contract or at the time of Making offer
c) After contract is made
d) Both (a) and (b)
149. Conditions on the reverse of a train ticket, bill issued by service providers, etc, are examples of
a) Normal business policy
b) Space saving measure
c) Special conditions
d) General rules of contract Law
150. Where the acceptance is given on telephone or fax, the place of contract is
a) The place from where the telephone call is booked
b) The place where the acceptance is heard or received
c) The place from where the offer was made
d) The place where the offeror resides.
151. An acceptance on telephone should be
a) Heard by the offeror
b) Audible to the offeror
c) Understood by the offeror
d) All of the above
152. Where a contract is made by post, the place of contract is
a) The place from where the offer is made
b) The place where the offer is received
c) The place where letter of acceptance is posted
d) The place where offeror resides
153. If an acceptance on phone is owned by noise and is not heard by the proposer
a) A valid contract is concluded
b) There is a voidable contract
c) The contract is void
d) No contract is concluded
154. When two persons agree to enter into an agreement in the future, there is between them.
a) A valid contract
b) No contract
c) An agreement
d) A consensus
155. The person making the offer is known as 'offeror' or promisor' and to whom it is made is known as
a) Acceptor
b) Acceptor for honour
c) Offeree or promise
d) Contracting party
156. The mode of the revocation of proposal other than by communication is / are
a) Verbal notice
b) Lapse of time
c) Death or insanity of the offeror
d) Both (b) and (c) above
157. Which of the following statement is incorrect ?
a) An offer may be made to the world at large
b) An offer may be positive or negative
c) An offer may be expressed or implied
d) An offer must be made to a specific person

158. A general offer made to the public at large is valid and binding contract is made with person who is having the knowledge of the offer
- Comes forward and acts accordingly
 - Acts accordingly and his act is ratified by the offeror
 - Seeks offeror's permission to accept the offer
 - Informs the public that he is willing to accept the offer
159. In which of the following cases, the principle of an offer to public at large was recognized?
- Balfur vs Balfour
 - Harvey vs Facie
 - Carlill vs carbolic smoke ball co
 - Both (a) and (b)
160. On the acceptance of an offer by the offeree, which of the following persons becomes legally bound by the contract ?
- Only the acceptor as he has accepted the offer
 - Only the offeror, as his terms are accepted
 - Both the acceptor and the offeror
 - None of the above
161. Which of the following is the legal rule of a valid acceptance ?
- An acceptance must be given within prescribed or reasonable time
 - An acceptance must be given before the lapse of offer
 - An acceptance may be expressed or implied
 - All of the above
162. Which of the following statement is incorrect?
- Death of the proposer automatically revokes the proposal
 - Cross offers constitute valid agreement
 - The acceptor cannot revoke his acceptance even if the letter of acceptance sent by him to the offeror is lost in the transit
 - All of the above
163. Which of the following is not the mode of the lapse of offer ?
- Lapse of time
 - Case against the offeror
 - Insanity of offeror
 - Failure to accept condition precedent
164. An acceptance of offer, in ignorance of the fact of death or insanity of the offeror, is
- Valid acceptance
 - Not valid
 - Illegal acceptance
 - Fraudulent acceptance
165. Which of the following is correct ?
- Acceptance can be made even without the knowledge of the offer
 - An agreement with intention to create legal liability is not enforceable in law
 - If the offeree does not accept the offer according to the mode prescribed by the offeror, the offer does not lapse automatically
 - Communication of offer is complete when the letter of offer is posted
166. A proposes, by letter, to sell a house to B for Rs 10,000. The communication of the proposal is complete
- When B receives the letter
 - When A dispatches the letter
 - When A sign the letter
 - When B knows about the letter
167. B accepts A's proposal by a letter sent by post. The communication of the acceptance is complete as against A
- When A receives the letter of acceptance
 - When B acknowledges it
 - When it comes to the knowledge of A
 - When the letter is posted
168. Which of the following is correct ?
- Acceptance is to an offer what a lighted match to a train of gun powder
 - Two identical cross offers two are not independent and separate offers
 - A counter offer is conditional acceptance
 - All of the above statements
169. A revokes his proposal to B by telegram. The revocation is complete as against A
- When the telegram is dispatched
 - When B receives the telegram
 - When B confirms
 - When A receives confirmation from B
170. A revokes his proposal by telegram to B. it is complete as against B
- When the telegram is dispatched by A
 - When B confirms it
 - When B receives it
 - When A dispatches the telegram
171. B revokes his acceptance by telegram. B's revocation is complete as against B
- When the telegram is dispatched
 - When the proposer receives the telegram
 - When the proposer confirms
 - When B receives the confirmation

172. B revokes his acceptance to A by telegram. B's revocation is complete as against A
 a) When B dispatches the telegram
 b) When it reaches him when B confirms it
 c) When B confirms it
 d) When A notifies it to B

173. Which of the following statements is correct?

- a) A valid contract cannot result from identical cross offers
- b) A proposal when accepted becomes a promise
- c) A rejected offer cannot be accepted
- d) All of the above statements

174. Which of the following is correct ?

- a) An offer may be made to a particular individual
- b) An offer may be made to the public of the whole world at large
- c) An offer may be made to a section of a public at large
- d) All of the above

175. Which of the following is correct ?

- a) Acceptance must precede an offer
- b) Acceptance may be given in any manner unless the offeror insists acceptance in the prescribed manner
- c) Silence always amounts to acceptance
- d) Acceptance may be valid even if the offeree adds certain conditions

176. Which of the following is incorrect ?

- a) A rejected offer cannot be accepted
- b) Cross offers cannot be constructed as an agreement
- c) Counter offer constitute valid acceptance
- d) All of the above

Capacity of the Party

177. Capacity to contract means

- a. The parties are financially sound to make contract
- b. The parties are physically able to enter into contract
- c. The parties are legally competent to enter into contracts
- d. All of the above

178. Capacity to contract has been defined in

- a) Section 10
- b) Section 11
- c) Section 12
- d) Section 25

179. Competence to contract mans

- a) Age of the parties
- b) Soundness of mind of the parties
- c) Both (a) and (b)
- d) Intelligence of the parties

180. These two person can enter into a valid contract

- a) Convict
- b) Person of sound mind
- c) Divorcee lady
- d) Both (b) and (c)

181. These two persons can enter into a valid contract

- a) One minor and a major person
- b) One minor and a person of sound mind
- c) Husband and Wife
- d) One major person and an insolvent person

182. 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 the consideration

183. A convict can enter into contract when

- a) He is on bail
- b) He is released from imprisonment
- c) All of the above
- d) None of the above

184. Peron who is not an indian citizen is known as

- a) alien enemy
- b) Alien friend
- c) Either (a) or (b)
- d) Both (a) and (b)

185. Contracts with an alien friend, subject to certain restrictions are

- a) Void
- b) Unenforceable
- c) Valid
- d) Invalid

186. Only the official Receiver can enter into contracts on behalf of the insolvent.

- a) True
- b) Partly True
- c) False
- d) None of the above.

187. A corporation cannot enter into contracts that are

- a) Ultra vires its Memorandum of association
- b) Strictly of a personal nature as t is only an artificial person
- c) Either (a) or (b)
- d) Neither (a) nor (b)

188. Minor's agreement is void but the minor can enforce the agreement against the other major party if minor is
- A third party in the agreement
 - Promisor in the agreement
 - A promise in the agreement and he has performed his part of promise under the agreement
 - Relative of M.P
189. A minor's agreement is void. This was held in the case of
- Mohiri Bibee Vs Dharmadas Ghosh
 - Salma begam Vs Jan Mohamed Khan
 - Balfour vs balfour
 - Chinnaiya vs Ramaya
190. On attaining the age of majority, a Minor's agreement
- Is void
 - Cannot be ratified
 - Becomes void
 - Can be ratified
191. Which of the following statements are correct? A minor cannot
- Become a Partner
 - Be liable even in case of fraudulent representation of age
 - Ask for specific performance of a contract
 - All of the above
192. A minor cannot be declared insolvent.
- True
 - Partly True
 - False
 - None of the above
193. Guardian shall For breach of contract by Minor.
- be held liable
 - Not be held liable
 - Be imprisoned
 - Not be questioned
194. Parents shall ----- for breach of con. Tact by minor.
- Be held liable
 - Not be held liable
 - Be imprisoned
 - Not be questioned
195. A , a Minor, entered into a contract for borrowing a sum of Rs 40,000 out of which lender paid him a sum of Rs 18,000A executed mortgage of property in favour of the lender. The mortgage is
- Valid for any amount
 - Valid to the extent of Rs. 40,000
 - Invalid
 - Validated on attaining majority
196. A ia a minor, b approaches A for a loan on the basis of a mortgage of the house owned by B Hence, A advances the money and b executed a mortgage in favour of A, a minor. In these circumstances
- The mortgage is not enforceable by A, because he is a minor
 - The mortgage is enforceable but only when a attains majority
 - The mortgage is enforceable by A even though he is a Minor
 - There is no mortgage at all
197. Minor can be
- A partner in a firm
 - An agent
 - A principal of his agent
 - All of the above
198. A minor can
- Ratify his agreement after attaining majority
 - Be directed by the Court for specific performance of the contract
 - Always plead his minority
 - Be held liable for cheques issued by him
199. A contract to take a loan by boy of 17 years of age from a money lender of 34 years is
- Valid contract
 - Void contract
 - Quasi Contract
 - Void agreement
200. A minor can be held personally liable
- For chques issued by him
 - For promises made by him with other joint promisors
 - For guarantee given by him
 - None of the above
201. A, a Minor draws cheque in favour of B. on attaining majority, A makes out a fresh cheque in lieu of the old one. In this case
- The original cheque is invalid but the fresh cheque is valid
 - The original cheque is valid but the fresh cheque is invalid
 - Both the original and fresh cheque are valid
 - Both the original and Fresh cheque are invalid.
202. Which of the following is incorrect ?
- A minor can entr into contract
 - A minor cannot validly appoint an agent
 - A minor is liable for a chque issued by him
 - All of the above
203. Which of the following is correct ?

- a) An agreement with a minor is always void
 b) A drunken person can never enter into a contract
 c) A married woman can never make a contract
 d) All of the above
204. Which of the following is correct position for minor under valid contract ?
 a) A minor can be a beneficiary
 b) A minor can be a promisee
 c) Either (a) and (b)
 d) A minor can be a full fledged partner in partnership firm
205. A minor, by misrepresenting his age, borrows some money. He
 a) Can be sued for fraud
 b) Cannot be sued for fraud
 c) Is liable to return the money
 d) Is liable to return the money on attaining majority
206. Which of the following is correct ?
 a) A minor can make a valid contract for necessities of life
 b) A married woman cannot enter into contract with her husband
 c) A minor can never become partner of any firm
 d) A minor can appoint an agent and is liable as principal
207. A minor's guardian are not liable to Creditor for breach of contract by the minor, if the contract is for -----
 a) Supply of necessities
 b) Supply of non-necessaries
 c) Supply of services
 d) All of the above
208. A minor, though incompetent to contract
 a) can act as an Agent
 b) Can bind his principal
 c) Either (a) or (b)
 d) Both (a) and (b)
209. A minor enters into a contract for the purchase of certain necessities. In such a case
 a) He is liable to return the necessities
 b) He is liable to pay
 c) His estate is liable to pay
 d) His guardian is liable to pay
210. Which of these has not been held as a "Necessary"?
 a) Food
 b) Clothing
 c) Shelter
 d) Mobile Phone
211. 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
212. Education and Marriage of a Female have also been held to be necessities in India.
 a) True
 b) Partly True
 c) False
 d) None of the above
213. Necessaries consist of
 a) Tangible Goods
 b) Services
 c) Either (a) or (b)
 d) Neither (a) nor (b)
214. Which of these is not a "necessary" for a Minor?
 a) Provision of education
 b) Provision of medical and legal advice
 c) Provision of a house on rent for the purpose of living and Continuing his studies
 d) Provision of alcoholic drinks
215. A person is permanently incompetent to contract, if he is
 a) Lunatic
 b) Idiot insolvent
 c) All of the above
216. A, a minor bought 11 expensive coats from B. he was, at that time, adequately provided with clothes, but B did not know this fact. In such a case
 a) Minor is personally liable to pay for the coat
 b) Minor's property can be attached for payment
 c) Minor is liable since he has Misled into supply of coats
 d) Minor is not liable at all
217. A minor having ample supply of clothes according to his position, bought number of new dresses including eleven fancy waist-coats. In which of the following case, these were held not to be necessities?
 a) Chapel Vs Cooper
 b) Balfour Vs Balfour
 c) Nash Vs Inman
 d) None of these
218. A person is said to be of Sound Mind, if at the time of contracting
 a) He is able to understand the terms of Contract

- b) He is capable of forming a rational judgment about contract and about his interests
 c) Either (a) or (b)
 d) Either (a) and (b)
219. A minor can be held liable for
 a) Necessaries of life supplied to him
 b) For a tort committed by him
 c) Cheques endorsed by him
 d) All of the above
220. A drunken person is not competent to contract as he falls in the category of
 a) Persons disqualified by law
 b) Persons of unsound mind
 c) Persons of discarded by society
 d) Enemies of society
221. An intoxicated person is not competent to contract as he falls in the category of
 a) Persons disqualified by law
 b) Persons of unsound mind
 c) Persons of discarded by society
 d) Enemies of society
222. Which of the following are the persons of unsound mind ?
 a) Idiot
 b) Lunatic
 c) Drunken
 d) All of the above
223. Which of the following persons are not competent to Contract being the persons disqualified by law ?
 a) Alien enemies
 b) Insolvents
 c) Convicts
 d) All of the above
224. Which of the following person do not fall in the category of person of unsound mind.
 a) Idiots
 b) Lunatics
 c) Alien
 d) Drunken persons
225. Minority is a personal
 a) Matter
 b) Incompetence.
 c) Talent
 d) Competence
226. The doctrine of restitution refers to the restoration of property or goods obtained by false representation. This doctrine is
 a) Beneficial to minors
 b) Not applicable to minors
 c) Applicable to minors
 d) None of the above
227. A minor
 a) Can be appointed as an agent.
 b) Cannot be appointed as an agent
 c) Can appoint others as his agent
 d) None of these
228. Which of the following is considered to fall in the category of 'necessaries'?
 a) Expenses for funeral ceremonies of minor's father
 b) Money borrowed to save minors property
 c) Expenses for education
 d) All of the above
229. A, a minor borrowed Rs. 30,000 from B as an education loan to compete his education. B can
 a) Recover amount from A
 b) Recover amount from A's guardian
 c) Recover amount from A's property
 d) Not recover at all
230. In a case where a lunatic enters into a contract for the purpose of 'necessaries, then
 a) Lunatic's is personally liable to pay
 b) Lunatic's guardian's is liable to pay
 c) Lunatic's estate is liable to pay
 d) Guardian's estate is liable to pay.
231. A minor can be lawfully Of a cheque.
 a) Drawer
 b) Drawee
 c) Payee
 d) All of the above
232. Contracts with an alien enemy before the declaration of war, which are against the national interest, are
 a) Terminated
 b) Not affected at all
 c) Suspended and revived after war
 d) None of the above
233. The contractual capacity of a company registered under the companies Act, 1956, is regulated by the
 a) Memorandum of association
 b) Provisions of the Companies Act
 c) Both (a) & (b)
 d) May not contract whilst such delirium lasts
234. A sane man, who is delirious from fever
 a) Can contract at any time
 b) Cannot contract whilst such delirium lasts
 c) Cannot contract at all
 d) May not contract whilst such delirium lasts
235. A sane man, who is so drunk that the cannot understand the terms of a contract

- a) Cannot contract while such drunkenness lasts
- b) Cannot contract at all
- c) May not contract while such drunkenness lasts
- d) Can contract at any time

Consideration

236. Consideration means
- a) Quid pro lo
 - b) Quid pro quo
 - c) Qui pro quo
 - d) Quid pro quod
237. Consideration in a contract
- a) May be anything
 - b) Noting in return
 - c) Some thing in return
 - d) May be illusory
238. Section ---- of the Indian Contract Act defines "Consideration"
- a) Section 2(a)
 - b) Section 2 (b)
 - c) Section 2 (c)
 - d) Section 2 (d)
239. "Consideration" means a reasonable equivalent or other valuable benefit passed on
- a) By the Promisor to the beneficiary
 - b) By the Promisee to the Promisor
 - c) By the promisor to the promisee
 - d) By the promise to the beneficiary
240. Consideration means something which is of some value in the eyes of law. it may be some benefit to the plaintiff or some detriment to the defendant. It was held in case of
- a) Fazaladdin vs Panchanan Das
 - b) Thomas Vs Thomas
 - c) Currie vs Misa
 - d) None of the above
241. Out of the following which is/are valid consideration ?
- a) Not to sue any person
 - b) Compromise of dispute
 - c) Composition of creditors
 - d) All of the above
242. An essential feature of consideration is that
- a) It must be cash
 - b) It must be given by the promisee alone
 - c) It must be at the request of the Promisor
 - d) It must be in kind
243. Past consideration means
- a) Voluntary services rendered in the past

- b) Something given by a party to another at the request of the promisor and contract is made thereafter
- c) Something done at the time of making a contract
- d) Something to be given after formation of the contract

244. Consideration may be
- a) past
 - b) present
 - c) future
 - d) either (a) or (b) or (c)
245. past consideration is ____ in England
- a) valid consideration
 - b) no consideration
 - c) illegal consideration
 - d) unlawful consideration
246. past consideration is ----- in India.
- a) Valid consideration
 - b) No consideration
 - c) Illegal consideration
 - d) Unlawful consideration
247. Which of the following is correct ?
- a) Consideration is essential for a contract
 - b) Consideration is required for a contract when parties intend to
 - c) Both (a) or (b)
 - d) Neither (a) nor (b)
248. Consideration must be something which the Promisor
- a) Is already bound to do
 - b) Is not already bound to do
 - c) May voluntarily do
 - d) Must not do
249. If A renders some service to B at B's desire and after a Month B promises to compensate A for the service rendered to him, it is a
- a) Present consideration
 - b) Past consideration
 - c) Future consideration
 - d) Not a consideration at all
250. 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
 - d) All of the above
251. Executory consideration can be
- a) Positive
 - b) Negative
 - c) Neither (a) nor (b)
 - d) Either (a) or (b)

252. An executed consideration
- Can be positive or negative
 - Liability is outstanding in one side only
 - Is an act against future promise
 - All of the above
253. Past consideration means
- The price received in the past without making even a proposal
 - More price is received than expected
 - The service rendered at the request of the promisor in the past followed by a subsequent promise
 - All of the above
254. Executed consideration means
- Past consideration
 - Present consideration
 - Future consideration
 - Both (a) and (b)
255. Executed consideration means
- Present consideration
 - Past consideration
 - Future consideration
 - Voluntary services rendered in the past
256. A promises to pay an existing debt punctually if, B, the creditor, gives him a discount. Is this consideration valid ?
- Yes , it is genuine consideration
 - No , Promisor is already bound to pay punctually
 - No, inadequate consideration
 - Yes , enforceable consideration
257. Present consideration is valid in ----
- India
 - England
 - Both (a) and (b)
 - Either (a) or (b)
258. Consideration may be
- Executor
 - Executed
 - Either (a) or (b)
 - Both (a) and (b)
259. Where a witness who has received summons to appear at a trial, a promise to pay him anything beyond his expenses is
- Void
 - Valid
 - Unlawful
 - illegal
260. a finds B's mobile Phone, and gives it back to him. B promises to give A rs. 500. This is a/an
- agreement
 - contract
 - acceptance
 - offer
261. an agreement not supported by consideration is called
- Nudum Pactum
 - Invalid consideration
 - Ab intio
 - Nam dat quod non habet
262. Promise without consideration is
- Gratuitous
 - Devoid any legal obligation
 - Not binding on the Promisor
 - All of the above
263. The consideration is to be moved some-time after the formation of a contract, it is known as
- present consideration
 - Executor consideration
 - Past consideration
 - Executed consideration
264. 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
- Contract
 - Agreement
 - Promise
 - Offer
265. Mere nearness of relation does not necessarily imply natural love and affection for making contracts without consideration is valid.
- True
 - Partly True
 - False
 - None of the above
266. A husband, by a registered agreement promised to pay wife Rs 5,000 p.m. there was no consideration moving from the wife to the husband. This contract is
- Void
 - Illegal
 - Valid
 - Unenforceable
267. The consideration ----- benefit the promise himself
- Must
 - Need not
 - Must always
 - Must never
268. A supports B's infant Son. B Promises to Pay A's expense. The contract is
- Void
 - Illegal

- c) Valid
 d) Unenforceable
269. A owes B Rs 1,000 but the debt is barred by Limitation Act. A signs a written promise to pay B Rs 500 on account of this debt. The contract is
 a) Void
 b) Illegal
 c) Valid
 d) Unenforceable
270. 'No Consideration No Contract' does not apply to completed gifts.
 a) True
 b) Partly True
 c) False
 d) None of the above
271. Consideration must move at the desire of
 a) Promisor
 b) Promisee
 c) Stranger
 d) Either (b) or (c)
272. Consideration may move from
 a) Promisor
 b) Promisee
 c) Either (a) or (b)
 d) Both (a) and (b)
273. Consideration is not necessary to effect a valid Gratuitous Bailment of goods.
 a) True
 b) Partly True
 c) False
 d) None of the above
274. Inadequacy of consideration does not make the contract
 a) Void
 b) Voidable
 c) Valid
 d) Neither (a) nor (b)
275. Which of the following is correct ?
 a) Consideration may be past, present but not future
 b) A contract is void if the consideration is inadequate
 c) Acceptance to lesser sum in satisfaction of payment of a larger sum is valid in spite of inadequate consideration
 d) A stranger to contract can enforce the contract
276. When the consideration is unlawful, the courts
 a) Allow an action on contract
 b) Do not allow an action on contract
 c) Take it for consideration
 d) Either (a) or (c)
277. A person who is not a party to a contract
 a) Cannot sue
 b) Can sue
 c) Can sue only in well recognized cases
 d) Can sue the Government
278. Under the Indian contract Act, a third person
 a) Beneficiary under the contract can sue
 b) From whom the consideration has proceeded can sue
 c) Cannot sue even if the consideration has proceeded from him
 d) Cannot sue at all for want of privity of contract
279. Stranger to contract means
 a) First party to contract
 b) Second party to contract
 c) Third party to contract
 d) Either (a) or (b)
280. The term privity of contract means
 a) Stranger of contract
 b) Contract is private
 c) First party to contract
 d) Second party to contract
281. Consideration need not necessarily be provided by the promisee, it may flow from a third party also. Such a person is called
 a) Stranger to contract
 b) Stranger to consideration
 c) Stranger to the court
 d) Either (a) or (c)
282. Which of the following is correct ?
 a) Consideration passed on behalf of another is valid
 b) A father promises his son while talking on cell phone to give half of his property. It is an enforceable promise
 c) A contracts B in writing to pay all the time barred debts of C. It is a valid contract
 d) Both (b) and (c) above
283. Marriage Settlement, Partition and other family Arrangements can be enforced by a beneficiary who is not a party to the contract, only if such agreement is
 a) Registered
 b) Reduced to Writing
 c) Either (a) or (b)
 d) Both (a) and (b)
284. Which of the following is incorrect ?
 a) Consideration must be something which the promisee is already under a duty to do

- b) Consideration must be valuable in the eye of the promisor
 c) Consideration must be which the promisee wants to do voluntarily
 d) All of the above
285. A promises to pay Rs. 1,000 to B if he brings a star from sky to earth and B agrees to bring the star to earth. In this case, contract is
 a) Valid
 b) Void as consideration is illusory
 c) Illegal
 d) Contingent
286. The forbearance to sue is regarded as
 a) Invalid consideration
 b) No consideration
 c) Valid consideration
 d) None of the above
287. Compromise of disputed claims is
 a) Valid consideration
 b) Invalid consideration
 c) Forbidden by law
 d) Unlawful consideration
288. A promise to pay for past services is valid and binding even though it is without consideration. However, for the validity of such promise, the past services should have been rendered
 a) Voluntarily
 b) At promisor's request
 c) Under compulsion
 d) Under some contract
289. For the enforcement of promise to pay a time-barred debt without consideration, which of the following conditions is not required ?
 a) It must be in writing
 b) It must be express
 c) It must be signed by the promisor
 d) It must be registered in a Court of law
290. Which of the following statements are correct ?
 I. Consideration is not required for the creation of an agency.
 II. Consideration is not required for making an actual gift.
 III. Consideration is not required while entering into contract with relative.
 IV. Consideration is not required for promise to pay time-barred debt.
 a) (i),(ii), (iii)
 b) (i), (i), (iv)
 c) (ii) (iii) (iv)
 d) (i), (iii), (iii)
291. Which of the following is the recognized 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
292. In which of the following important cases, the exception of 'trust or charge' to the rule of privity of contract was recognized?
 a) Lalman shukla Vs Gauri Dutt
 b) Khujaja Mohdkhan vs Hussani Begum
 c) Carlill vs Carbolic smoke ball Co
 d) Balfour vs Balfour
293. A person who is not a party to the trust can enforce the same if the following conditions are satisfied.
 a) He must be clearly named as a beneficiary under the trust or charge
 b) The trust or charge in his favour must be of specific property
 c) The benefit to the beneficiary must be of Rs. 50,000 or more
 d) Both (a) and (b)
294. A person for whose benefit a provision is made in partition deed of joint family property but he is not a party to such settlement,
 a) Cannot sue as partition of property is not a recognized exception
 b) Can sue as it is a recognized exception to the rule of privity of contract
 c) Can sue after becoming party to the settlement
 d) Can sue only if court allow him to do so
295. A promises, for no consideration, to give to B Rs 1,000.
 a) This is a void agreement
 b) This is a valid agreement
 c) This is a voidable agreement
 d) None of the above
- Free Consent
296. Consent means parties agreeing on
 a) The terms of the contract
 b) Some terms of the contract
 c) The same thing in the same sense
 d) Any matter of the contract
297. Section of the Indian contract act deals with consent.
 a) 12
 b) 13
 c) 14

- d) 15
298. Consent Means
- a) Unity of minds on the same thing
- b) Meeting of minds on the same thing in the same sense
- c) Agreeing on same thing in the same sense
- d) Either (a) or (b) or (c)
299. "Free Consent" is dealt with under Section Of the Indian Contract Act.
- a) 12
- b) 12
- c) 14
- d) 15
300. Consent and free consent are same and one thing.
- a) True
- b) Partly true
- c) False
- d) Partly False
301. Sec Of Indian Contract Act deals with "Coercion".
- a) 15
- b) 16
- c) 17
- d) 18
302. Consent is said to be free when it is not obtained by
- a) Coercion
- b) Fraud
- c) Bilateral Mistake
- d) Either (a) or (b) or (c)
303. Two persons are said to be in consent
- a) When they agree on any things
- b) When they agree upon the same thing in the same sense
- c) When they agree upon the same thing in different sense
- d) When they agree upon the same thing in different sense
304. means forcibly compelling a person to enter into a contract.
- a) Intimidation
- b) Fraud
- c) Mistake
- d) Coercion
305. Coercion includes
- a) Causing fear
- b) Threat to detain property
- c) Detain goods unlawfully
- d) All of the above
306. The act amount to coercion is
- a) Threat to sue
- b) Threat to strike
- c) Threat to suicide
- d) Threat to detain property under mortgage
307. A contract is said to be caused by undue influence
- a) When one party is a dominant party
- b) When one party uses its dominant position to get unfair advantage over the other in a contract
- c) When parties to contract are close friends
- d) When parties to a contract are near relatives
308. A threatens to kill B, if B does not agree to sell his property to A. B's Consent is obtained by
- a) Fraud
- b) Undue Influence
- c) Coercion
- d) Misrepresentation
309. D threatens to kill A if he does not sell his house to B at a very low price. Even if D is a stranger to the transaction between A and B, the agreement is caused by
- a) Undue Influence
- b) Coercion
- c) Fraud
- d) Misrepresentation
310. A, Hindu widow, was forced to adopt B under threat that her husband's dead-body would not be allowed for funeral, unless she adopts B. the adoption is void-able since the consent is caused by
- a) Undue Influence
- b) Coercion
- c) Fraud
- d) Mistake
311. A contract is said to be made without consent when the contract is caused by
- a) Coercion
- b) Undue influence
- c) Fraud
- d) Bilateral Mistake of fact
312. To make a contract voidable, coercion must have been exercised against
- a) promisor
- b) Any other person
- c) Either (a) or (b)
- d) Neither (a) nor (b)
313. Duress under English Contract Law is similar to
- a) Undue influence
- b) Coercion
- c) Fraud
- d) Misrepresentation

314. To avoid a contract under the claim of "Coercion", the Indian Penal Code should be in force where the coercion is employed.
- True
 - Partly True
 - False
 - None of the above
315. means unfair use of one's superior power in order to obtain the consent of a person who is in a weaker position.
- Coercion
 - Undue influence
 - Fraud
 - 'Misrepresentation
316. Section Of the Indian Contract Act deals with "Undue Influence".
- 15
 - 16
 - 17
 - 18
317. A person is deemed to be in a position to dominate the will of another if
- He holds a real or apparent authority over the other
 - He stands in a fiduciary relation to the other
 - All of the above
 - None of the above
318. A person is deemed to be in a position to dominate the will of another if
- He stands in a fiduciary relation to the other
 - He makes a contract with a person whose mental capacity is temporarily or permanently affected by reason of age, illness or mental or bodily distress
 - All of the above
 - None of the above
319. The agreement entered into with free consent is
- Valid
 - Void
 - Voidable
 - Illegal
320. The agreement entered into without free consent is
- Valid
 - Void
 - Voidable
 - Illegal
321. A person is deemed to be in a position to dominate the will of another by undue influence if the mental capacity is affected temporarily or permanently by reasons of
- Age
 - Illness
 - Mental or bodily distress
 - All of the above
322. Who has defined that "undue influence is the unconscientious use, by one person, of power possessed by him over another in order to induce the other party to enter into contract ?
- Holland
 - Pollack
 - Lord Halsbury
 - Salmond
323. A contract which is voided on grounds of undue influence may be set aside
- Absolutely
 - Upon such terms and conditions as the Court may deem fit
 - Either (a) or (b)
 - Both (A) and (B)
324. An illiterate old woman made a gift deed of her entire property to her nephew who managed her affairs. The gift can be set aside on the grounds of
- Mistake
 - Coercion
 - Fraud
 - Undue Influence
325. A banker applies to a Banker for a loan when the money market is very stringent. The Banker says that the loan could be provided only at such high interest. A's consent is
- Not obtained by undue influence
 - Obtained by undue influence
 - Not obtained by coercion
 - Obtained by fraud
326. Mere proof of nearness of relationship is not sufficient for the Court to assume that one relation was in a position to dominate the will of another
- True
 - Partly true
 - False
 - None of the above
327. Which of the following relationships raise presumption of undue influence ?
- Parent and Child
 - Guardian and Ward
 - Spiritual Guru and Disciple
 - All of the above
328. Which of the following relationships raise presumption of undue influence ?
- Doctor and Patient

- b) Solicitor and Client
 c) Trustee and Beneficiary
 d) All of the above
329. Which of the following relationship raise presumption of Under influence?
 a) Landlord and Tenant
 b) Husband and Wife
 c) Fiancé and Fiancee
 d) Creditor and Debtor
330. undue influence is npt preumed when the relationship between the parties is
 a) master- Servant
 b) doctor-patient
 c) husband-wife
 d) shopkeeper-buyer
331. Coercion and Under Influence, involve physical force or threat.
 a) True
 b) Partly True
 c) False
 d) None of the above
332. To employ "coercion", relationship between the parties is
 a) Necessary
 b) Not necessary
 c) Required
 d) Presumed
333. To employ "undue Influence", relationship between the parties is
 a) Necessary
 b) Not necessary
 c) Required
 d) Presumed
334. Section 17 of the Indian Contract Act deals with
 a) Coercion
 b) Undue Influence
 c) Fraud
 d) Mistake
335. Fraud means
 a) Suggestion as a Fact, of something which is not true, by a person who does not believe it to be true
 b) Active concealment of a fact
 c) Promise made without any intention of performing it
 d) All of the above
336. Which of these constitute Fraud?
 a) Any act fitted to deceive
 b) Any such act or omission as specifically declared by law to be fraudulent
 c) Both (a) and (b)
- d) Neither (a) nor (b)
337. Which of these does not constitute Fraud?
 a) Suggestion as a fact, of something which is not true, by a person who does not believe it to be true
 b) Active concealment of a Fact
 c) Innocent statement, honestly believing the same to be true.
 d) Promise made without any intention of performing it
338. Which of these does not constitute Fraud?
 a) Promise made without any intention of performing it.
 b) Physical threat to the person
 c) Any act fitted to deceive
 d) Any such act or omission as specifically declared by Law to be fraudulent
339. A mere attempt at deceit by one party
 a) Is not fraud unless the other party is actually deceived
 b) Is fraud whether the other party has been deceived or not
 c) Amounts to mistake
 d) Amount to undue influence
340. Fraud may be committed by
 a) A party to the contract
 b) Stranger to the contract
 c) An agent of the party to the contract
 d) Both (a) and (c)
341. Which of these constitute essential elements of Fraud?
 a) Representation should relate to a material fact
 b) Representation should be Falsse
 c) The intention must be to induce the other party to act upon it
 d) All of the above
342. If a sells, by auction to B a horse which A Knows to be unsound and A says nothing to B about the horse's unsoundness, this amount to
 a) Fraud
 b) Not farud
 c) Unlawful
 d) Illegal
343. If A sells, by auction to B a horse which A knows to be unsound and A says nothing to B about the horse's unsoundness, this amount to
 a) Fraud
 b) Not fraud
 c) Unlawful
 d) Illegal
344. Duty to speak exists in case

- a) Where the parties stand in a fiduciary relationship
 b) Where contract is a one of ubberima fidei
 c) Both (a) and (b)
 d) Neither (a) nor (b)
345. Uberima fidei means
 a) Bad faith
 b) Utmost god faith
 c) Goo faith
 d) No faith at all
346. Which of the following is correct?
 a) Consent obtained by fraud makes the agreement void
 b) Silence as to material facts always amount to fraud
 c) A deceit which does not deceive is no fraud
 d) Unilateral mistake of fact always renders the contract void
347. In which of the following cases, the contract cannot be avoided on grounds of fraud?
 a) A fraud which did not cause the consent of the party to the agreement
 b) If the party had the means to discover the truth with ordinary dillgence
 c) Where a party enters into a contract in ignorance of fraud
 d) All of the above
348. A bought shares in a Company on the faith of a prospectus that contained an untrue statement as to the directorship of B. A had never heard of B and hencs such statement was immaterial from his view point. A claimed daages for raud. His claim will be dismissed on the ground that
 a) There was no fraud
 b) It is a subject matter covered under Companies Act
 c) The untrue statement had not induced him to buy the shares
 d) All of the above
351. In Derry Vs Peek it was observed that fraud exists when it is shown that the false representation has been made
 a. Knowingly
 b. Unintentionally
 c. Recklessly careless whether it be true or false
 d. Both (a) and (c)
352. In cases of silence amounting to fraud where the other party had the means of discovering truth with ordinary diligence, the contract is
 a. Void
- b. Voidable
 c. Not voidable
 d. Conditional
353. A, fraudulently sold his car to B. After-wards , B came to known about the fraud, but instead of complaining, he further sold the car to C. in this case, B's right to rescind the contract is
 a. lost
 b. not lost
 c. strengthened
 d. None of the above
354. The important element which distinguishes misrepresentation from fraud is that the misrepresentation is an
 a. intenational statement
 b. innocent statement
 c. important statement
 d. irrelevant statement
355. In a contract of insurance, keeping silent as to material facts amounts to fraud.
 a. True
 b. Partly True
 c. False
 d. None of the above
356. For a marriage contract, the relatives speaking for the girl failed to disclose that she was suffering from epileptic fits. In this case, engagement is voidable on account of
 a. Fraud
 b. Misrepresentation
 c. undue influence
 d. None of the above
357. Section of the Indian Contract Act deals with " Misrepresentation"
 a. 15
 b. 16
 c. 17
 d. 18
358. Misrepresentation means
 a. causing a party entering into an agreement to make a mistake as to the subject matter of contract
 b. a positive assertion, in a manner warranted by the information of the person making it, not true but he believes it to be true
 c. any breach of duty, which gains an advantage to the person committing it by misleading another to his prejudice.
 d. All of the above
359. When the contract is entered into under misrepresentation, it is
 a. void

- b. valid
c. invalid
d. voidable
360. Which of these are features of Misrepresentation, not treated as Fraud?
a. Innocent and Unintentional
b. Believes the representation to be true
c. No intention to deceive or defraud the other party.
d. All of the above
361. Any breach of duty bringing gains to the Doer, by misleading another to his prejudice is a case of
a. Suppression of Facts
b. Breach of Contract
c. Fraud
d. Misrepresentation
362. Misrepresentation results not only from misstatement of facts, but also from suppression of material facts.
a. True
b. Partly True
c. False
d. None of the above
363. Which of the following are essential features of Misrepresentation?
a. Representation should be of a material fact
b. It must be made before the conclusion of the contract
c. There should not be an intention to deceive the other party
d. All of the above
364. A wrong statement of facts made to a third person with an intent to communicate it to the party involved amounts to misrepresentation.
a. True
b. Partly True
c. False
d. None of the above
365. Where consent is caused by Fraud or Misrepresentation, the aggrieved party can sue for damages.
a. True
b. Partly True
c. False
d. None of the above
366. Sohan induced Suraj to buy his motorcycle saying that it was in a very good condition. After taking the motorcycle, Suraj complained that there were many defects in the motorcycle. Sohan proposed to get it repaired and promised to pay 40% cost of repairs after a few days. the motorcycle did not work at all. In this case, Suraj
a. can rescind the contract
b. has affirmed to the contract and cannot rescind the contract
c. can return the motorcycle
d. all of the above
367. is an erroneous belief about something.
a. Representation
b. Mistake
c. Fraud
d. Misrepresentation
368. When one of the parties is under a mistake as to a matter of fact essential to the agreement, it is called
a. Unilateral Mistake
b. Bilateral Mistake
c. Partial Mistake
d. Incomplete Mistake
369. Unilateral Mistake may relate to
a. Subject matter
b. Understanding terms or legal effect of agreement
c. Neither (a) nor (b)
d. Both (a) and (b)
370. Erroneous opinion as to value of subject matter is not a Mistake of Fact.
a. True
b. Partly True
c. False
d. None of the above
371. An old illiterate man was made to sign a bill of exchange, by means of a false representation that it was a guarantee. The contract is
a. Illegal
b. Valid
c. Void
d. Voidable
372. When both parties are under a mistake as to a matter of fact essential to the agreement, it is called as
a. Unilateral Mistake
b. Bilateral Mistake
c. General Mistake
d. Total Mistake
373. Section of the Indian Contract Act deals with "Bilateral Mistake".
a. 19
b. 20
c. 21
d. 22
374. Bilateral mistake may relate to
a. Subject Matter
b. Possibility of performance

- c. Neither (a) nor (b)
 d. Both (a) and (b)
375. Bilateral Mistake as to fact renders an agreement void since
 a. There is no consideration
 b. Agreements is unlawful
 c. There is no agreement
 d. It is opposed to public policy
376. A agrees to sell his horse to B. But unknown to both the parties, the horse had already died at the time of making of the contract. The contracts is
 a. Void
 b. Valid
 c. Voidable
 d. Illegal
377. A wrote to B inquiring price of rifles suggesting that he might buy as many as 50. On receipt of information he telegraphed, "Send three rifles" Due to telegraphic mistake, message was transmitted as "Send the rifles". B despatched 50 rifles. In this case
 a. There is no contract
 b. There is a valid contract
 c. A has to accept the loss on 50 rifles
 d. A has to accept the loss on 3 rifles
378. A contracted to take on rent, a property for viewing the coronation procession of the King. Unknown to the parties, the procession had already been cancelled. The contract is void due to
 a. Mistake as to Physical Impossibility
 b. Mistake as to Legal Impossibility
 c. Object being opposed to public policy
 d. All of the above
379. A contract to do a certain act which is not permitted by law, is void in itself.
 a. True
 b. Partly True
 c. False
 d. None of the above
380. The maxim "Ignorantia juris non excusa" stands for
 a. Law will not punish ignorant people
 b. Law will punish illiterate people
 c. Ignorance people can excuse law
 d. Ignorance of law of land is no excuse
381. A had two scooters, one blank and the other white, and offered to sell his black scooter to B for Rs 12,000. B accepted the other believing it to be for white. In this case, no contract arises between A and B as there is no
 a. Consensus ad idem
 b. error in consensus
 c. error in causa
 d. both (a) and (b)
382. The case of 'no consent' i.e. when there is no consent at all, are described by Salmond as
 a. error in causa
 b. error in consensus
 c. consensus ad idem
 d. offer and acceptance
383. In which of the following cases, of mistake of both the parties, the contract is void ab initio because of complete absence of consent
 a. Where there is error as to the nature of the contract
 b. Where there is error as to the identity of the parties
 c. Where there is error as to the subject matter of the contract
 d. All of the above
384. Threatening to commit any act forbidden by IPC amounts to coercion under Section 15, if such act is done with the intention of
 a. causing the other party to enter into contract
 b. injuring the other party
 c. causing loss to the other party
 d. All of the above
385. Unlawful detaining or threatening to detain any property amounts to coercion under Section 15, if such act is done with the intention of
 a. causing the other party to enter into contract
 b. injuring the other party
 c. causing loss to the other party
 d. All of the above
386. The threatening act amounting to coercion
 a. Must be initiated by a party to the contract only
 b. Must be initiated by a stranger only
 c. May be initiated by a party or by any person, even by a stranger
 d. Must be initiated by both the party as well as stranger
387. The threatening act amounting to coercion
 a. Must be directed against the party to contract
 b. Must be directed against stranger only
 c. Both (a) and (b)
 d. May be directed against the party or against any person who is not a party
388. Threat to commit suicide amount to
 i. Fraud
 ii. Coercion

- iii. Undue influence
 iv. Offence under IPC
 a. (i) and (ii)
 b. (ii) and (iii)
 c. (iii) and (iv)
 d. (ii) and (iv)
389. Threat to detain property in unlawful manner amount as
 a. Fraud
 b. Coercion
 c. Mistake
 d. All of the above
390. Undue influence is a kind of
 a. Mental
 b. Physical
 c. Both (a) and (b)
 d. None of the above
391. Which of the following is not an essential element of undue influence?
 a. One party must be in a position to dominate the will of the other party
 b. The dominant party must use his dominant position to obtain an unfair advantage over the other party
 c. The dominant party must obtain an unfair advantage over the other party
 d. One party must be in a dominant position, but he may or may not use his position to obtain unfair advantage over the weaker party
392. A party is presumed to dominate the will of another, where he
 a. holds a real or apparent authority over the other
 b. makes a contract with another in mental distress
 c. Both (a) and (b)
 d. None of the above
393. A party is presumed to dominate the will of another, where he
 a. holds a real or apparent authority over the other
 b. stands in a fiduciary relation to the other
 c. Both (a) and (b)
 d. None of the above
394. The fiduciary relations means the relationship of
 a. trust and confidence
 b. master and servant
 c. none of the above
 d. both (a) and (b)
395. Which of the following relations fall in the category of 'fiduciary relations' and usually raise the presumption of undue influence?
 a. Solicitor and client
 b. doctor and patient
 c. spiritual adviser and devotee
 d. all of the above
396. Which of the following relations do not fall in the category of 'fiduciary relationship and thus does not raise the presumption of undue influence?
 a. solicitor and client
 b. doctor and patient
 c. spiritual adviser and devotee
 d. None of the above
397. Which of the following relations do not fall in the category of fiduciary relationship and thus dose not raise the presumption of undue influence?
 a. Parent and child
 b. Trustee and beneficiary
 c. Landlord and tenant
 d. Woman and her confidential managing agents
398. Contracts with a pardanashin woman raises the presumption of
 a. domination of will
 b. undue influence
 c. fraud
 d. None of the above
399. When a contract is challenged in a court of law on the ground of undue influence, the burden of proof lies upon the
 a. stronger party
 b. weaker party
 c. court to prove the undue influence
 d. None of the above
400. On account of bilateral mistake, a contract to be declared as void under Section 20, the mistake must be about the
 a. Existing fact
 b. Future fact
 c. Both of the above
 d. None of the above
401. When both the parties to an agreement have different subject-matter In mind, the agreement is
 a. not void
 b. void
 c. voidable
 d. valid
402. When contract entered into by way of unilateral mistake is void?
 a. Mistake as to identity of the parties to an agreement

- b. Mistake as to nature of the agreement
 c. None of the above
 d. Either (a) or (b)
403. A, by fraudulent representation, got signed a gift deed from B in his favour representing it to be a power of attorney. The gift deed is
- a. valid
 b. voidable
 c. void
 d. illegal
404. A, intending to deceive B, falsely represents that 500 bags are made daily at his factory, and thereby induces B to buy the factory. The contract is
- a. voidable at the option of B
 b. voidable at the option of A
 c. void
 d. none of the above
405. The husband asks his wife that he would commit suicide, if she does not give him her ornaments.
- a. The contract can be avoided by the wife
 b. The contract is void
 c. The husband can enforce the contract
 d. Both (b) and (c)
406. A agrees to sell a horse worth Rs 20,000 for Rs 100. A's consent to the agreement was freely given.
- a. This is a valid contract
 b. This is a void contract
 c. This is a voidable contract
 d. This is an illegal contract

Void Agreements and Contingent Contract

407. Consideration and object of an agreement is unlawful if it
- a. is forbidden by law
 b. would defeat the provisions of any law
 c. Either (a) or (b)
 d. Neither (a) nor (b)
408. Consideration and object of an agreement is unlawful if it
- a. would defeat the provisions of any law
 b. creates injury to the person
 c. is fraudulent
 d. All of the above
409. Which of the following is incorrect?
- a. All agreements are unlawful if court consider it as immoral
 b. Champerty agreements are always void
 c. Either (a) or (b)
 d. Both (a) and (b)

410. Which of the following is incorrect?
- a. An agreement to create monopoly is void
 b. An agreement to defraud others is unlawful
 c. Both of the above
 d. None of the above
411. Consideration and object of an agreement is unlawful if it
- a. is fraudulent
 b. creates injury to property of any other person
 c. against public policy
 d. all of the above
412. Consideration and object of an agreement is unlawful if it
- a. is fraudulent
 b. is possible
 c. is impossible
 d. all of the above
413. An act forbidden by law means
- a. it is punishable by the Criminal Law
 b. it is prohibited by a Special Act
 c. Either (a) or (b)
 d. Neither (a) nor (b)
414. The stifling agreement is
- a. Wagering
 b. Contingent
 c. Voidable
 d. Void
415. In the above question the agreement is void on ground of
- a. Unlawful consideration
 b. Public policy
 c. Both (a) and (b)
 d. Neither(a) nor (b)
416. A borrows money from B to purchase smuggled cameras from C. B knows the purpose. The agreement between A and B is
- a. illegal
 b. void
 c. legal
 d. voidable
417. A, B and C enter into an agreement for sharing the money obtained by fraud. This agreement is
- a. Valid
 b. Wagering
 c. Void
 d. Voidable
418. An agreement is void if the court considers it as
- a. Immoral
 b. Within moral standards
 c. Either (a) or (b)

- d. Neither (a) nor (b)
419. A enters into agreement on behalf of her minor daughter that her daughter will act in an adult movie. Agreement is
- Void
 - Voidable
 - Valid
 - Contingent
420. In the above questions, agreement is void, because it is
- without consideration
 - immoral
 - fraudulent
 - contingent
421. A gave a lone to the guardian of a Minor to celebrate the Minor's marriage. The agreement is
- Valid
 - Valid at the option of Minor
 - not enforceable
 - voidable
422. An agreement for improper promotion of litigation is
- voidable
 - not void
 - against public policy
 - valid
423. Which of the following agreements are valid?
- Uncertain agreements
 - Wagering agreements
 - Agreements to do impossible events
 - None of the above
424. Which of the following agreements are void?
- Agreements to do impossible acts
 - Illegal agreements
 - Both (a) and (b)
 - Neither (a) nor (b)
425. If in a contract where promises are seperable from other, one promise is legal and the other promise is illegal, the legal promise is.....
- enforceable
 - unenforceable
 - unlawful
 - none of the above
426. if in a contract where promises are seperable from other, one promise is leagal and other promise is illegal, the illegal promise is
- enforceable
 - unenforceable
 - unlawful
 - none of the above
427. Which one of the following is a void agreement?
- An agreement without consideration
 - An agreement in restraint of marriage
 - An agreement in restraint of trade
 - All of the above
428. Of the following agreements, which one is not void?
- Agreement without consideration
 - Agreement in restraint of marriage
 - Wagering agreement
 - Agreement with physically disabled person
429. Section of the Indian contract Act deals with "Void Contract".
- 2 (i)
 - 2 (j)
 - 2 (d)
 - 2 (e)
430. Section of the Indian Contract Act deals with "Voidable Contract".
- 2 (i)
 - 2 (j)
 - 2 (d)
 - 2 (e)
431. Section of the Indian contract Act deals with "Agreements in restraint of Trade".
- 26
 - 27
 - 28
 - 29
432. The agreement to create monopoly is
- Valid
 - Void
 - Illegal
 - Wagering
433. In which of the following agreements, Restraint of Trade is valid?
- Agreement with Buyer of Goodwill
 - Trade Combinations not opposed to public policy
 - Partnership Agreements
 - All of the above
434. Where a Seller of Goodwill of a business agrees not to carry on similar business, the limits and conditions imposed have to be having regard to the nature of the business.
- Considerable
 - Understandable
 - Reasonable
 - Suitable
435. Trade combination agreements like opening and closing of business ventures, licensing of traders, supervision and control of dealers, etc., are
- void

- b. valid
 c. voidable
 d. immoral
436. When two companies enter into an joint venture agreement, the agreement is
 a. opposed to public policy
 b. void
 c. either (a) or (b)
 d. neither (a) nor (b)
437. When two companies enter into an joint ventures agreement, the agreement is
 a. opposed to public policy
 b. void
 c. either (a) or (b)
 d. both (a) nor (b)
438. Out of the following, which is a valid restriction on an employee?
 a. During employment, he will not work at any other place
 b. After the period of employment, he will not work anywhere
 c. He will not resign from job
 d. Both (b) and (b)
439. An agreement between ice manufacturers not to sell ice below a stated price and to divide the profits in a certain proportion is
 a. Valid
 b. Void
 c. Enforceable
 d. Voidable
440. An agreement among the members of a co-operative society to deliver all crops grown by them to the society. The society sells it and divides the profit amongst its member is
 a. Void
 b. Unenforceable
 c. Valid
 d. Voidable
441. Service agreement where an employee agrees that he will not serve anybody else during service period, is a
 a. Valid agreement
 b. Void agreement
 c. Illegal agreement
 d. Unlawful agreement
442. Where an employee enters into an agreement with his employer not to engage in similar work after the termination of this service, the agreement is
 a. Valid
 b. Void
 c. Enforceable
 d. Voidable
443. An agreement with employees to serve the organization for a few years after training is
 a. Voidable
 b. Void
 c. Unenforceable
 d. Valid
444. Which of the following agreements in restraint of trade is valid?
 a. Partner not to carry on any business other than that of the firm while he is a partner
 b. Outgoing Partner not to carryon any business similar to Firm's within specified periods or local limits.
 c. Partners not to carry on similar business within specified periods, upon dissolution of Firm
 d. All of the above
445. Where an employee undertook to serve his employer for a period of 1 year but leaves the service after 6 months , the agreements is
 a. Void
 b. Enforceable
 c. Illegal
 d. Voidable
446. "Agreements in restraint of Legal proceedings" is provided under
 a. Section 26
 b. Section 27
 c. Section 28
 d. Section 29
447. Which of the following agreements is valid?
 a. Restricting person from enforcing his rights under any contract, by the court
 b. Limiting the time within which any party may enforce his rights by order of court
 c. Waiver the rights of any party to the agreement
 d. All of the above
448. An agreement not to enforce any legal remedy or enforce the right is
 a. Valid
 b. Void
 c. Voidable
 d. Unenforceable
449. An agreement between two parties to refer to arbitration for any dispute between them is valid
 a. If any party wishes so
 b. If it is in writing
 c. Either (a) or (b)
 d. Neither (a) nor (b)
450. Uncertain Agreements are defined in section of the Indian contract Act ,1872.

- a. 26
b. 27
c. 28
d. 29
451. Uncertain agreement is
a. Voidable
b. Void
c. Valid
d. Illegal
452. An agreement is void, if the meaning of such agreement is
a. not certain
b. not capable of being made certain
c. either (a) or (b)
d. neither (a) nor (b)
453. A says to B "shall sell my house; will you buy?" B says, "yes, I will buy". The agreement is
a. Valid
b. Void
c. Voidable
d. Illegal
454. A says to B "I shall sell my house; will you buy?" B says, "yes, I will buy". The agreement is void due to
a. Uncertainty of meaning
b. Uncertainty of price
c. Uncertainty of subject matter
d. Uncertainty about the quality
455. A promised to pay an extra Rs 5,000 to B if the horse he purchased from B proved to be lucky. The promise is
a. Valid
b. Void
c. Voidable
d. Enforceable
456. A agreed to pay a certain sum, when he wishes to pay. The agreement is void on grounds of
a. inadequacy of consideration
b. agreement to agree in future
c. Uncertainty
d. all of the above
457. A agrees with B to sell all his goods stored in warehouse at Ahmedabad for Rs 50,000. The agreement is
a. Valid
b. Void
c. illegal
d. contingent
458. Illegal agreements are
a. Not enforceable by law
b. Prohibited
c. Either (a) or (b)
d. Both (a) and (b)
459. All illegal agreements are
a. void ab – initio
b. valid
c. voidable
d. enforceable
460. All void agreements are always
a. illegal
b. valid
c. enforceable
d. None of the above
461. Void agreements are
a. Not punishable
b. Punishable
c. Prohibited
d. Illegal
462. Illegal agreements may be punishable with
a. Fine
b. Imprisonment
c. Both (a) and (b)
d. Any of the above
463. All void agreements may not be illegal but all illegal agreements are always void.
a. True
b. False
c. Partly True
d. Partly False
464. An Agreement to murder a person is an example of
a. Voidable Agreement
b. Illegal Agreement
c. Either (a) or (b)
d. Both (a) and (b)
465. No action can be taken for breach of an illegal agreement.
a. True
b. Partly True
c. False
d. None of the above
466. "A Wagering Agreement is a promise to give money or money's worth upon the determination or ascertainment of an uncertain event". It is said by
a. Anson
b. Pollock
c. Drucker
d. Cockburn
467. "A Wagering Agreement is a contract by A to pay money to B on the happening of a given event in contract of B's promise to pay money to A on the event of non happening." It is said by

- a. Anson
b. Pollock
c. Drucker
d. Cockbum
468. Which of the following is not a feature of a Wagering Agreement?
a. Chances of gain or loss
b. Uncertainty of future event
c. Neither party have control over future event
d. Neither parties should have an interest in the event
469. If either of the parties may win but cannot lose, or both may lose and can not win, it is
a. a Wagering Agreement
b. not a Wagering Agreement
c. a Voidable Agreement
d. an illegal Agreement
470. Athletic competitions are valid because they are
a. games of skill
b. just games
c. games of luck
d. all of the above
471. Neither party should have interest in the happening or non-happening of the event other than
a. His goodwill
b. The sum he stands to win or loss
c. Neither (a) nor (b)
d. Both (a) and (b)
472. A "Wagering Contract " is void under of the Indian Contract Act, 1872.
a. Section 30
b. Section 31
c. Section 32
d. Section 33
473. In a Wagering Agreement, the winning party cannot recover the money.
a. True
b. Partly True
c. False
d. None of the above
474. Wagering Agreement, have been declared illegal and hence void in
a. Gujarat
b. Maharashtra
c. Both (a) and (b)
d. neither (a) nor (b)
475. In the State of Karnataka, Collateral Transactions to a Wagering Agreement are
a. Voidable
b. Illegal and Void
c. Valid
d. Contingent
476. In the States of Gujarat and Maharashtra, collateral Transaction to a Wagering Agreement are
a. Voidable
b. Illegal and Void
c. Valid and Enforceable
d. Contingent
477. In India, Unauthorized Lottery is
a. Illegal
b. Void
c. Both (a) and (b)
d. Neither (a) nor (b)
478. A, in Ahmedabad, bets with B and loses. A applies to C for a loan in order to pay B. C gives the lone to A to enable him to pay B. In this case C can
a. recover the loan from A
b. not recover the loan from A
c. C can recover the loan from B
d. Either (a) or (b)
479. "Wagering Agreements cover Insurance Contracts also". This statement is
a. True
b. Partly True
c. False
d. None of the above
480. Share market transactions with a clear intention only to settle the price difference are
a. Wagering Agreements
b. Not Wagering Agreements
c. Contingent Contract
d. Voidable Agreements
481. Share market transaction with a clear intention not only to settle the price difference but delivery of shares of goods are
a. Wagering Agreements
b. Not Wagering Agreements
c. Contingent Contracts
d. Voidable Agreements
482. Prize Competitions which involve skill are
a. Wagering Agreements
b. Not Wagering Agreements
c. Void Agreements
d. Voidable Agreements
483. Any agreements to solve picture puzzles are
a. Wagering Agreements
b. Not Wagering Agreements
c. Void Agreements
d. Voidable Agreements
484. Which of the following is correct?

- a. Prize competitions exceeding Rs 1000 is wagering
 b. Horse race agreements are always unlawful
 c. An agreement in restraint of legal proceedings is valid
 d. All of the above
485. Which of the following is correct?
 a. Prize competition for horse race exceeding Rs 100 is wagering
 b. Prize competitions for horse race exceeding Rs 100 is wagering
 c. Prize competitions exceeding Rs 1000 is wagering
 d. Both (a) and (b)
486. A contract entered into during war with an alien enemy is
 a. Ineffective
 b. Valid
 c. Voidable
 d. Void-ab-initio
487. A contract entered into during war with an alien friend is
 a. Ineffective
 b. Valid
 c. Voidable
 d. Void-ab-initio
488. Which of these are not opposed to public Policy?
 a. Trading with enemy
 b. Stifling Prosecution
 c. Compromise of compoundable offences
 d. Agreement to commit a crime
489. Which of these are not opposed to public Policy?
 a. Champerty and Maintenance agreements
 b. Agreements in restraint of parental rights
 c. Agreements in restraint of marriage
 d. Agreements to refer disputes to arbitration
490. Which of these are opposed to public policy?
 a. Restraint of marriage
 b. Restraint of personal freedom
 c. Interference with course of Justice
 d. All of the above
491. Where a person agrees to maintain a suit, in which he has no interest, the proceeding is known as
 a. Champerty
 b. Maintenance
 c. Stifling agreement
 d. Interference with course of justice
492. An agreement whereby one party assists another in recovering money or property and, in turn share in the proceeds of the action is called
 a. Champerty
 b. Maintenance
 c. Stifling with Prosecution
 d. Traficking the public office
493. A agrees to pay B Rs 15,000 for suing C and in turn seeking 50 per cent share in the proceeds received by B in the suit, This is an example of
 a. Stifling with Prosecution
 b. Champerty
 c. Maintenance
 d. Interfere with course of justice
494. An agreement in restraint of Parental Right is
 a. Enforceable
 b. valid
 c. voidable
 d. void
495. Agreements which restricts freedom of persons are
 a. void
 b. against public policy
 c. both (a) and (b)
 d. Neither (a) nor (b)
496. Marriage Brokerage Contracts are
 a. Enforceable
 b. Valid
 c. Void
 d. voidable
497. An agreement in which a person promises, for a monetary consideration, to procure the marriage of another is
 a. Enforceable
 b. Void
 c. Valid
 d. Voidable
498. A promises to pay B Rs 50,000 if B secures him an employment in the public service. The agreement is
 a. Enforceable
 b. Void
 c. Valid
 d. Voidable
499. A promises to pay B Rs 30,000 if B procure for him the title "Padma Shri". The agreement is
 a. Enforceable
 b. Void
 c. Valid
 d. Voidable
500. Agreements which create monopolies are

- a. in restraint of Freedom of Trade
 b. opposed to public policy
 c. void
 d. All of the above
501. Agreement intended to defraud Income Tax Authorities is
 a. Contrary to public policy
 b. void
 c. both (a) nor (b)
 d. neither (a) nor (b)
502. An agreement to remain unmarried is
 a. Valid
 b. Void
 c. Voidable
 d. Enforceable
503. An agreement not to marry by minor is
 a. Valid
 b. Void
 c. Voidable
 d. enforceable
504. An agreement which restricts a person's freedom to marry person of his choice is against public policy and is
 a. Lawful
 b. Illegal
 c. Void
 d. Enforceable
505. Unconditional Contracts are called Contracts.
 a. Unenforceable
 b. Contingent
 c. Quasi
 d. None of the above
506. Conditional Contracts are called contracts.
 a. Absolute
 b. Contingent
 c. Quasi
 d. Illegal
507. Contingent contracts are
 a. Illegal
 b. not contract at all
 c. wagering in nature
 d. None of the above
508. Contingent Contracts are
 a. Valid contract
 b. Illegal agreement
 c. Voidable contracts
 d. None of the above
509. A contract based on the happening or non-happening of a future event is called
 a. a wagering contract
 b. uncertain agreement
 c. a contingent contract
 d. voidable contract
510. A Contingent Contract is a contract to do or not to do something, if some event, collateral to such contract
 a. happens
 b. does not happen
 c. Neither (a) nor (b)
 d. Either (a) or (b)
511. Which of the following is a Contingent Contract?
 a. Contract of Insurance
 b. Contract for doing impossible acts
 c. Marriage Contracts
 d. Wagering Agreements
512. The collateral event to a Contingent Contract should be a/an
 a. Uncertain Event
 b. Certain Event
 c. Either (a) or (b)
 d. Neither (a) nor (b)
513. A contract is not contingent contract
 a. If the event is bound to happen
 b. If the promisor has control over the event
 c. If the event is a part of the promise of the contract
 d. All of the above
514. If A promises to pay B Rs 10,000 if he so chooses, it is a contingent contract
 a. True
 b. Partly True
 c. False
 d. None of the above
515. A contingent contract to do or not to do anything on the happening of an uncertain future event
 a. Is never enforceable
 b. Is enforceable only at the time of making it
 c. Becomes enforceable immediately when event becomes impossible
 d. Becomes enforceable only on the happening of that event
517. A agrees to pay B Rs 50,000 if a Titanic ship does not return. The ship is sunk. The contract can be enforced
 a. When the ship sinks
 b. before the ship sinks
 c. when the ship returns
 d. when ship does not starts its journey
518. Contracts contingent upon the happening of an Uncertain future Event within a fixed time, becomes void

- a. At the expiry of time fixed, if such event has not happened
- b. Before the time fixed, such event becomes impossible
- c. Either (a) or (b)
- d. Neither (a) nor (b)

519. A promises to pay B Rs 10,000 if a "Titanic" ship returns within a year. The contract

- a. may be enforced if the ship returns within the year
- b. becomes void, if the ship is burnt within the year
- c. Both (a) and (b)
- d. either (a) nor (b)

520. The performance of contingent contract depends upon

- a. main event
- b. collateral event
- c. both (a) and (b)
- d. either (a) or (b)

521. The event upon which performance of a contingent contract depends must not depend upon the of the promisor.

- a. mere will
- b. act
- c. rules
- d. principles

522. A agrees to pay B Rs 50 if two parallel straight lines intersect each other. The agreement is

- a. Void
- b. Voidable
- c. Valid
- d. Illegal

523. Wagering Agreements

- a. is a valid contract
- b. is a game of chance
- c. is a voidable contract
- d. is a quasi-contract

524. An agreement for lawful consideration but with an unlawful object, is

- a. Void
- b. Wager
- c. Voidable
- d. Partially Illegal

525. An agreement with lawful object but for an unlawful consideration, is _____

- a. Void
- b. Voidable
- c. Wager
- d. Partially unlawful

526. An agreement is said to be opposed to public when it

- a. Against the welfare of the society
- b. Prejudicial to the public interest or public policy
- c. Either (a) and (b)
- d. is against provision of any law

527. Which of the following statement are correct?

- i. An agreement with voters to procure their votes for notes is void.
- ii. An agreement with a person for procuring a seat in a college for monetary consideration is void
- iii. Wagering agreement is voidable.
- iv. An agreement restricting personal freedom is void
- a. (i), (ii), (iii)
- b. (ii), (iii), (iv)
- c. (i), (ii), (iv)
- d. (i), (iii), (iv)

528. A agrees to pay Rs 20,000 to B if he produces false evidence in his favour. This agreement is

- a. Valid
- b. Void
- c. Enforceable
- d. Voidable

529. A champertous agreement which is fair and made with bonafide object of assisting a person is valid.

- a. True
- b. False
- c. Partly true
- d. Partly false

530. A collateral transaction to an illegal agreement is

- a. Valid
- b. Voidable
- c. Void
- d. Uncertain

531. Which of the following statements is correct?

- a. An illegal agreements is voidable
- b. A transaction collateral to illegal agreement is valid
- c. Illegal agreements is enforceable
- d. In case of illegal agreements, courts donot help any party

532. An agreement which in restraint of marriage is void if the restraint is

- a. Complete only
- b. Partial only
- c. Complete or partial
- d. Approved by parties

533. An agreement which prevents a person from marrying a particular person, is

- a. Void
b. Voidable
c. Valid
d. Allowed with court permission
534. An agreement which prevents a person from marrying a particular class is
a. Void
b. Voidable
c. Valid
d. Allowed with permission of parties
535. Where an agreement in restraint of trade is divisible, than the
a. Unrestricted part is valid and enforceable
b. Whole agreement is void
c. Whole agreement is enforceable
d. Restraint is not valid in the eyes of law
536. Where an agreement in restraint of trade is not divisible, than the
a. Whole agreement is valid
b. Whole agreement is void and unenforceable
c. Unrestricted part is enforceable
d. None of the above
537. A agrees to pay Rs 30,000 to B, a rival shopkeeper, if he closes his business in A's locality only. This agreement is
a. Valid
b. Voidable
c. Void
d. None of the above
538. A agrees to pay a certain sum of money to B, a rival shopkeeper, if he closes his business for three months in a year. This agreement is
a. Void
b. Voidable
c. Valid
d. None of the above
539. An agreement which restrains the seller of a goodwill from carrying on a similar business within specified local limits, is
a. Void
b. Voidable
c. Valid
d. Contingent
540. An agreement which restrains a continuing partner of a firm from carrying on any business, other than the business of the firm, is
a. Void
b. Voidable
c. Valid
d. Unlawful
541. A partner of a firm, so long as he is partner, can be restrained from carrying on
a. Any business
b. Similar business
c. Both of the above
d. None of the above
542. An agreement which restrains an outgoing partner from carrying on the business similar to that of the firm, is
a. Void
b. Voidable
c. Valid
d. Unlawful
543. An outgoing partner can be restrained from carrying on
a. Similar business only
b. Any business
c. Both of these
d. None of the above
544. An agreement restraining the outgoing partner from carrying on business similar to that firm will be valid and enforceable if the restriction
a. Is reasonable
b. Specifies the local limits
c. Specifies the period for which it will remain in force
d. All of the above
545. Regulations as to the opening and closing of business in the market, are
a. Not legal
b. Valid
c. Void
d. Illegal
546. An agreement which partially restrains a person from enforcing his legal right ,is
a. Void
b. Valid
c. Voidable
d. None of the these
547. A and B entered into an agreement, that A can enforce his rights at Bombay only. This agreement is
a. Valid
b. Void
c. Contingent contract
d. Illegal
548. A agrees to sell to B all the production of this only factory situated at Ahmedabad. This agreement is
a. Void
b. Valid
c. Voidable, at the option of B
d. None of these

549. A new promise to pay the stake money already won upon a wager, is

- a. Valid
- b. Void
- c. Voidable
- d. Contingent

550. A promises to pay Rs 500 to be if it rains on the first Monday of the next month. It is a

- a. Wagering agreement
- b. Contingent contract
- c. Void contract
- d. Voidable contract

551. A agrees to pay Rs 5,000 to be if B's car is brunt, it is

- a. Void
- b. Voidable contract
- c. Wagering agreement
- d. Contingent contract

552. Which of the following is not an essential requirement of a valid contingent contract?

- a. The performance must be conditional
- b. The event must be uncertain
- c. The event must from a part of the contract
- d. The event must be independent

553. A agrees to purchase B's horse for Rs 5,000. if the house proved lucky. It is

- a. A contingent contract
- b. Not contingent contract
- c. Void agreement
- d. Valid contract

554. A agrees to purchase B's horse for Rs 5,000. It is

- a. A contingent contract
- b. Not contingent contract
- c. Void agreement
- d. Valid contract

555. A contract dependent on the will of the promisor is

- a. An uncertain contract
- b. A contingent contract
- c. A forbidden contract
- d. A voidable contract

556. A promises to pay Rs 5,000 to B if he feels like to pay. This agreement is

- a. Valid
- b. Voidable
- c. Void
- d. Illegal

557. Which of the following statements is correct?

- a. Contingent contracts are void
- b. Contingent contracts are valid
- c. Contingent contracts are voidable

d. Contingent contracts fall in the category of wagering agreements

558. B agrees to sell to A "1 kg of grain at a price to be fixed by C".

- a. The agreement is valid
- b. The agreement is void
- c. The agreement is voidable
- d. The agreement is illegal

559. The difference between contingent contract and wagering agreements' are as follows

- a. A wagering agreement, consists of reciprocal promises whereas a contingent contract may not contain reciprocal promises
- b. In wagering agreement the uncertain event is the sole determining factor while in a contingent contract the event is only collateral
- c. Wagering agreement consists of reciprocal promises whereas a contingent contract may not contain such promises
- d. All of the above

560. A agrees to pay Rs 50,000 to B if she brings a Dinosaur from forest.

- a. This is void agreement
- b. This is a quasi contract
- c. This is an implied contract
- d. This is a wagering conduct

561. Which of the following is correct?

- a. A wagering agreement is void
- b. A contingent contract is valid
- c. A contract of insurance is not a wagering agreement
- d. All of the above

Performance of contract

562. Performance of a contract may be in the form of

- a. actual
- b. attempted
- c. either (a) or (b)
- d. both (a) and (b)

563. Performance of contract means

- a. fulfilling all the obligations by a promisee
- b. fulfilling all the obligations by the promisor
- c. performing all the promises and fulfilling all the obligations by all the parties
- d. both (a) or (b)

564. offer to perform is called

- a. Attempted performance
- b. Caveat emptor
- c. Jus in personam
- d. Jus in rem

565. When the parties under the contract fulfill their respective promises, the contract is said to be discharged

- a. By breach of contract
- b. By impossibility of performance
- c. By agreement and novation
- d. By performance of contract

566. An attempted performance discharges the promisor from his liability

- a. to deliver the goods
- b. to pay the price
- c. to pay the damages
- d. above (a) and (b)

567. Which is not the essential of valid tender?

- a. Tender must be conditional
- b. Tender must be made at proper place
- c. Tender must be for whole obligation
- d. Tender must be made at a proper time

568. Which are the essential of valid tender?

- a. Tender must be unconditional
- b. Tender must be made at proper place
- c. Tender must be to proper person
- d. All of the above

569. The Parties to a Contract must

- a. perform their respective promises
- b. offer to perform their respective promises
- c. either (a) or (b)
- d. neither (a) nor (b)

570. The performance of a promise is not required

- a. when the parties substitute the contract
- b. when performance is possible
- c. when the promisee rejects a tender of performance
- d. both (a) and (b)

571. The parties to a contract need not perform when the performance is

- a. dispensed with
- b. excused under the provisions of any law
- c. either (a) or (b)
- d. neither (a) nor (b)

572. In case of death of the Promisor before performance, the Representatives of the Promisor are not bound when

- a. It involves the personal skill
- b. agreement exempt the performance of promise on part of legal representative
- c. either (a) or (b)
- d. neither (a) nor (b)

573. A promises to deliver goods to B for Rs 20,000. A dies before performance of promises

- a. The contract becomes void
- b. The contract becomes impossible

c. The contract can be enforced against A's representatives and B is bound to pay Rs 20,000 to A;s representatives

d. The contract is void

574. A promises to paint a picture for B. A dies before painting picture. Which one of the following is the correct legal position?

- a. The agreement becomes unlawful
- b. The agreement becomes impossible
- c. The agreement becomes voidable
- d. The agreement is void ab initio

575. Where the Promisor offers to perform to the Promisee, the Promisee is bound

- a. to provide reasonable facilities for the performance
- b. to provide unreasonable opportunity
- c. both (a) or (b)
- d. neither (a) nor (b)

576. A contracts to repair B's house. B does not show him the places that require repairs. In this case

- a. A must request B to show the required places
- b. A is excused from non-performance where it is so caused by B's neglect
- c. B can sue A for non-performance
- d. A can sue B for non-co-operation

577. An offer of performance is known as

- a. Offer
- b. Proposal
- c. Tender
- d. Acceptance

578. The offer to perform the contract must be

- a. Unconditional
- b. Conditional
- c. Rational
- d. Provisional

579. Which one of the following is correct about the essentials of valid Tender?

- a. The tender must be unconditional
- b. The tender must be made at proper place
- c. The Promisee must be given an opportunity
- d. All of the above

580. The Offer to perform must be made to

- a. the Promisee
- b. anyone of the Joint Promises
- c. Authorized of Promisee
- d. Either (a) or (b) or (c)

581. In which of the following cases, the Promisor is at fault?

- a. Promisee does not give reasonable facilities for performance

- b. Promisor has disabled himself from performing his promise in entirety
- c. Promisor has refused to perform his promise
- d. Both (b) and (c)
582. Who cannot demand performance of a Promise?
- a. Promisee
- b. Any of the Joint Promisees
- c. Legal representative on death of Promisee
- d. Stranger to the Contract
583. A promisee can accept the performance from
- a. Promisor
- b. Legal representative of the Promisor
- c. Third party
- d. Any of the above
584. In which situation only the Promisor should perform the promise personally?
- a. Where promisee intended that performance of the promise by the Promisor himself
- b. Where contract involves the use of personal skills
- c. Where the promise is founded on personal confidence between the parties
- d. All of the above
585. "A" promises to act in a movie for "B". In this case
- a. Legal representative of A can perform the promise
- b. A's agent can perform the promise
- c. A's employer can perform the promise
- d. A must perform this promise personally
586. It is not always required of the parties to perform the contract
- a. in time
- b. before time
- c. personally
- d. both (a) and (b)
587. A contract to marry a person shall be performed by
- a. Promisor
- b. Representative of the Promisor
- c. Relative of promisor
- d. Either (a) or (b)
588. Where a Promisee accepts performance from a third person, he
- a. can also claim performance from the Promisor
- b. cannot afterwards enforce the promise against the promisor
- c. can still sue the third person
- d. can sue promisor for breach contract
589. When two or more persons have made a joint promise, then, unless a contrary intention appears from the contract, the promise shall be performed, during their joint lives
- a. By any one of them
- b. By a majority of the Joint Promisors
- c. By all of the Joint Promisors
- d. All of the above
590. When three person have made a joint promise, then, unless a contrary intention appears from the contract, the promise shall be performed, after the death of the last survivor
- a. By the Representatives of all the Promisors jointly
- b. By the Representatives of a majority of the Promisors
- c. By the Representative of any one of the Promisors
- d. Any one of the above
591. When two or more persons have made a joint promise, then, unless a contrary intention appears from the contract, all such persons must fulfill the promise
- a. Jointly
- b. Severally
- c. Both (a) and (b)
- d. Jointly or severally
592. In case of Joint Promise, a Promisee can ask or force
- a. all the Joint Promisors to perform
- b. any one of them to perform
- c. some of them to perform
- d. any of the above
593. The liability of Joint Promisors is
- a. Joint
- b. Several
- c. Joint or several
- d. Joint and several
594. A, B, and C Jointly promise to pay Rs 1000 to D. D files a suit to recover the amount against
- a. D must sue all of them
- b. D can recover Rs 1000 only from A
- c. D can recover the amount from any one of them
- d. D cannot sue any of them
595. If any one of Joint Promisors makes default in such contribution, remaining Joint Promisors must share the loss arising from such default
- a. Equally
- b. Not equally
- c. In the ratio of their properties

d. Either (a) or (b)

596. In case of a Joint Promise, release of one of Joint Promisors by the Promisee

- a. discharges all Promisors
- b. discharges the other Joint Promisors
- c. does not discharge the other Joint Promisors
- d. discharge the Promisee

597. When a person has made a promise to two or more persons jointly, then unless a contrary intention appears from the contract, then, during their joint lives, the right to claim performance rests with

- a. any one of the Joint Promises
- b. a majority of the Joint Promisees
- c. all of the Joint Promisees
- d. either (a) or (b)

598. When a person has made a promise to two or more persons jointly, then unless a contrary intention appears from the contract, and, after the death of all of them, the right to claim performance rests with

- a. by the Representatives of all the Promisees jointly
- b. by the Representatives of any one of the Promisees
- c. Either (a) or (b)
- d. None of the above

599. Where time for performance is specified In a contract

- a. the Promisor has to perform without application by the Promisee
- b. the Promisor shall perform after specified time in contract
- c. either (a) or (b)
- d. both (a) and (b)

600. In a contract where time is not specified for performance, the Promisor can perform the contract

- a. at any time he wishes
- b. within the shortest time
- c. within a reasonable time
- d. within the latest time

601. In a contract where time is specified for performance, the Promisor shall perform the contract

- a. Within specified time
- b. within the shortest time
- c. within a reasonable time
- d. within the latest time

602. If time is the essence of the contract and the Promisor fails to perform the contract within the specified time, the contract

- a. becomes void
- b. is valid
- c. becomes voidable at the instance of the Promisee
- d. voidable at the instance of the promisor

603. If time is not the essence of the contract, and there is a failure to perform the contract by the specified time, then, the contract

- a. becomes void
- b. becomes voidable at the instance of the Promisee
- c. becomes invalid and can't claim loss suffered by the Promisee
- d. remains valid but the Promisee can recover damage

604. If the promise is to be performed on a specified day, the Promisor may perform the promise

- a. at any time on that specified day
- b. at any time during the usual hours of business on the specified day
- c. at any time on any day
- d. after the usual hours of business on the specified day

605. Where place of performance is not specified, the Promisor shall

- a. ask Promisee as to where performance of promise made
- b. perform the promise at any place
- c. not perform the promise
- d. either (a) or (b)

606. Whether time is the essence of the contract depends on

- a. the intention of the parties
- b. the facts and circumstances of each case
- c. the provisions of law
- d. all of the above

607. Where time is the essence of the contract and the Promisor fails to perform within specified time, the contract is

- a. voidable at the option of the Promisee
- b. voidable at the option of the promisor
- c. not voidable
- d. valid

608. Where time of performance is specified in the contract and the Promisee has accepted performance at any time other than the agreed time, the Promisee

- a. cannot claim compensation

- b. can claim compensation for loss
 c. cannot claim performance of the promise
 d. is entitled to rescind the contract
609. Where time fixed for performance of promise was extended by the Promisee and the object of the contract is not a commercial one
- a. Time is not the essence of the contract
 b. Time is the essence of the contract
 c. No presumption can be made
 d. None of the above
610. In a contract for sale and purchase of goods, the prices of which fluctuate in the market, time is
- a. not presumed to be the essence of the contract
 b. presumed to be the essence of the contract
 c. no presumption as to time can be made
 d. All of the above
611. Where reciprocal promises are to be simultaneously performed
- a. Promisor need not perform his part of promise at all
 b. Promisor need not perform his part of promise unless Promisee is ready and willing to perform his reciprocal promise
 c. Promisor has to compel Promisee to perform his promise first
 d. Promises are not valid at all
612. If a contract provides for the order of performance of reciprocal promises, the promises shall be performed
- a. in the order mentioned
 b. in any reasonable order
 c. in any appropriate order
 d. in any order whatsoever
613. If a contract does not provide for the order of performance of reciprocal promises, the promises shall be performed
- a. in any suitable order
 b. in any reasonable order
 c. in such order which the nature of transactions require
 d. in any order
614. Where a contract contains Reciprocal Promises and one party to the contract prevents the other from performing his promise, the contract is
- a. Valid
 b. Void
 c. voidable at the option of the party preventing the other
 d. voidable at the option of the party so prevented
615. Where a contract contains Reciprocal Promises and one party to the contract prevents the other from performing his Promises, the party so prevented can
- a. avoid the contract
 b. recover compensation from the party preventing
 c. Both (a) and (b)
 d. Either (a) or (b)
616. A owes B total of Rs 25,000. He sends a cheque for Rs 10,000 stating that it shall be appropriated towards the first sum of Rs 10,000 he took from B. B shall appropriate it
- a. towards any debt due from A
 b. towards any time barred debt due from A
 c. towards any disputed debt due from A
 d. towards that debt as indicated by A
617. A valid tender of promises
- a. is equal to performance of promise
 b. Something more than performance of Promise
 c. Both (a) and (b)
 d. Neither (a) nor (b)
618. A entered into contract with B to deliver certain goods to B. A offered the goods to B at proper time and place, but B refused to accept the goods. In this case,
- a. A does not have any right against B
 b. A can sue B for breach of contract, but not discharged from his liability
 c. A is discharged from his liability and can also sue B for breach of contract
 d. B is not liable for breach of contract
619. A owes Rs 60,000 to B. Before clearing his liability, A dies leaving behind an estate worth Rs 40,000. In this case, A's legal representatives are liable for
- a. Rs 20,000
 b. Rs 40,000
 c. Rs 60,000
 d. None of the above
620. The promises forming consideration for each other are called
- a. Reciprocal Promises
 b. Mutual Promises
 c. Independent promises
 d. None of the above
621. A and B promise to marry each other. It is an example of
- a. Reciprocal promise
 b. A's promise is the consideration for B's promise

- c. B's promise is the consideration for A's promise
- d. All of the above
622. The promises which are to be performed simultaneously, are known as
- Mutual and concurrent
 - Conditional and dependent
 - Mutual and independent
 - None of these
623. The sale of goods for cash is an example for reciprocal promise known as
- Mutual and concurrent
 - Conditional and dependent
 - Mutual and independent
 - Cash and concurrent
624. Where the performance of a promise by one party depends upon the prior performance of promise by the other, the promise is known as
- Mutual and concurrent
 - Conditional and dependent
 - Mutual and independent
 - Concurrent and dependent
625. Where the promise by one party can be performed without waiting for the other party to perform his promise, the promise is known as
- Conditional and dependent
 - Concurrent and independent
 - Mutual and concurrent
 - Mutual and independent
626. Where each party is a promisor as well as promisee, it is a case of
- unenforceable contract
 - reciprocal promises
 - unascertained agreement
 - contingent contracts
627. When the intention of the parties is that the promise should be performed by the promisor himself. Such promise must be performed by
- The promisor
 - Any person with authority of the promisor
 - Third party
 - All of the above
628. A, B, and C jointly promise to pay D the sum of Rs 6,000. C is compelled to pay the whole. A is insolvent, but his assets are sufficient to pay one-half of his debts.
- C is entitled to receive Rs 1000 from A's estate, and Rs 2,500 from B
 - C is entitled to receive Rs 1,000 from A's estate, and Rs 2,000 from B
 - C is entitled to receive Rs 1,000 from A's estate, and Rs 3,000 from B
- d. None of the above
629. A promises to deliver goods at B's godown. A delivers the goods during business hour to B's house.
- A has not performed his promise
 - A has not performed his promise
 - B has not performed his promise
 - Both (b) and (c)
630. When a promise is to be performed on a certain day the question "what is proper time and place"
- Is determined by the promisor
 - Is question of fact
 - Is determined by the promisee
 - All of the above
631. A desires B, who owes him Rs 100, to send him a note for Rs 100 by post. B puts into the post a letter containing the note duly addressed to A.
- The debt is discharged as soon as B posts a letter addressed to A
 - The debt is not discharged even if B posts the letter containing the note duly addressed to A
 - The debt is discharged as soon as B posts the letter containing the note duly addressed to A
 - None of the above
632. A promise B to sell him 100 bales of cotton, to be delivered next day and B promises A to pay for them within a month. A does not deliver according to promise.
- B's promises to pay need not be performed, and A must make compensation
 - A's promise to deliver must be performed
 - B's must clam compensation
 - B's promises to pay need not be performed, and A must make compensation
633. A contracts to act at a theatre for six months in a consideration of a sum paid in advance by B. On several occasions, A is too ill to act
- The contract becomes void
 - The contract becomes voidable
 - The contract becomes illegal
 - Any one of the above
634. A owes B Rs 10,000. A enters into a contract with B and gives his estate to B as mortgage for Rs 5,000 in place of the earlier debt of Rs 10,000
- This is a new contract and extinguishes the old one
 - This is a new contract but does not extinguish the old one
 - Both are independent contracts
 - None of the above

635. A hired a music hall to B for performing concerts. The hall accidentally burnt before beginning of the concert. The contract becomes

- a. void
- b. voidable
- c. illegal
- d. Any of the above

636. Ex turpi causa non oritur action means

- a. From an illegal cause, no action arises
- b. From an illegal cause action may arises
- c. From an legal cause action may arises
- d. From an legal cause action may not arises

637. A contracted to supply certain quantity of timber to B. Before supply of any timber, war was broke out resulting disruption of supply of the timber.

- a. A was discharged from performing the contract
- b. A was not discharged from performing the contract
- c. A has to pay compensation
- d. A has to pay penalty

- b. fails to perform his promise
- c. disables himself from performing his part of the promise
- d. all of the above

639. A agrees to marry B and B Promises to bring for A , stars in consideration of marriage. The agreement is

- a. Void
- b. Valid
- c. Voidable
- d. Illegal

640. A agrees with B to bring back the life of dead patient for Rs 50,000. The agreement is

- a. Void
- b. Voidable
- c. Unenforceable
- d. Illegal

641. Which of the following is correct?

- a. Performance of contract means discharge of the contract
- b. Rescission of contract cannot discharge a contract
- c. Material alteration in a contract discharges the contract
- d. Both (a) and (c)

642. Breach of a contract may be

- a. Actual Breach
- b. Anticipatory Breach
- c. Either (a) or (b)
- d. Neither (a) nor (b)

643. Which of the following is correct?

- a. Performance of contract means contract becomes void
- b. Cancelation of contract cannot discharge a contract
- c. Alteration with the consent of party discharges the contract
- d. None of the above

644. Which of the following is incorrect?

- a. Impossibility to perform promise discharges the contract
- b. merger discharges the contract
- c. Initial impossibility discharges the contract
- d. All of the above

645. The doctrine of impossibility of performance rendering a contract void is based on

- a. Commercial impossibility
- b. supervening impossibility
- c. just and reasonable ground
- d. unjust enrichment

Discharge of contract

638. A contract is discharged by breach when a party to a contract

- a. refuses to perform his promise

646. Because of supervening event, the Promisor is excused from the performance of the contract. This is known as

- a. Doctrine of frustration
- b. Initial impossibility
- c. Doctrine of ultra-vires
- d. Operation of law

647. A contract is not considered void by commercial impossibility.

- a. True
- b. Partly True
- c. False
- d. None of the above

648. Which of the following is correct?

- a. Supervening impossibility never discharges a contract
- b. Anticipatory breach of contract does not discharges the contract till the other party elects to treat the contract as discharged
- c. Both (a) and (b)
- d. None of the above

649. Which of the following is correct?

- a. Supervening impossibility sometimes discharges a contract
- b. Actual breach of contract takes place before the due date of performance
- c. Both (a) and (b)
- d. None of the above

650. Third party's failure to perform promise on whose performance your performance of promise is depend upon. In this case, contract

- a. is not discharged
- b. is discharged
- c. becomes void
- d. becomes voidable

651. A entered into a contract with B for supply of 100 bicycles manufactured by C. C did not manufacture it. In this case

- a. A is not discharged
- b. A is discharged
- c. Contract becomes void
- d. Contract becomes voidable

652. A contracts with Indian Cricket Board to play for IPL-2 at south Africa. A falls ill and is advised by doctor to rest. The contract

- a. is valid
- b. is void ab initio
- c. becomes void
- d. is voidable at A's option

653. When a contract becomes void, any benefit received under such contract is bound to the person from whom he received it.

- a. to restore such benefit
- b. to make compensation for such benefit
- c. either (a) or (b)
- d. neither (a) nor (b)

654. Which of the following is correct?

- a. Novation means making a new contract in place of an old contract
- b. Alteration means making a new contract in place of an existing one
- c. Performance of contract is not a method of discharge of contract
- d. All of the above

655. If the subject matter of a contract is destroyed after formation of the contract, without fault of either party, the contract

- a. is rendered voidable
- b. becomes void
- c. continues to be valid
- d. becomes unlawful

656. If the subject matter of a contract is destroyed after formation of the contract, without fault of either party, the contract is

- a. voidable
- b. discharged
- c. not discharged
- d. unlawful

657. A musical hall was agreed to be let out on certain dates, but before those dates the hall was destroyed by fire. The contract becomes void on the ground of

- a. impossibility of performance
- b. illegality of object
- c. unlawful consideration
- d. All of the above

658. When the contract is made for several purposes, failure of one of them

- a. terminates the entire contract
- b. does not terminate the entire contract
- c. makes the contract unlawful
- d. renders the object illegal

659. A agreed to supply certain goods to B.

As a result of an increase in raw material costs, it is a no longer profitable for A to supply them at the agreed rate. In this case

- a. Contract becomes void
- b. Contract is discharged
- c. A cannot be excused for
- d.
- e. non-performance
- f. A can be excused for non-performance

660. Which of the following is incorrect?

- a. Contracts are discharged by lapse of time

- b. Discharge of a party and discharge of contracts are same and one thing
- c. Cancellation of contract discharges the contract
- d. All of the above
661. Where performance has become more difficult than estimated at the time of entering into contract, the contract
- a. is not discharged
- b. is discharged
- c. becomes void
- d. becomes voidable
662. indicates that the parties are not further bound under the contract,
- a. Waiver of a Contract
- b. Breach of a Contract
- c. Rescission of a Contract
- d. Discharge of a Contract
663. When a contract ceases to bind the parties to it, it is said to be
- a. Discharged
- b. Performed
- c. Obligated
- d. Rescinded
664. In which of the ways can a contract be discharged?
- a. By performance
- b. By operation of law
- c. By lapse of Time
- d. All of the above
665. In which of the ways can a contract be discharged?
- a. By Performance
- b. By Operation of law
- c. By Mutual Agreement
- d. All of the above
666. An obligation under a contract stands discharged by
- a. dispensing with the performance
- b. impossibility of performance
- c. death of the party and contract is personal in nature
- d. All of the above
667. Which of the following is incorrect?
- a. Performance of contract and discharge of contract have the same effects
- b. Commercial impossibility is not impossibility
- c. Commercial impossibility does not make the contract void
- d. Cancellation of a contract by mutual consent of both parties is called waiver
668. A contract stands discharged
- a. By performance of the contract
- b. By breach of the contract
- c. By agreement
- d. All of the above
669. A contract can be discharged by performance in which of the following ways?
- a. Actual performance
- b. By valid tender
- c. Either (a) or (b)
- d. Both (a) and (b)
670. A contracts to sell his scooter to B for Rs 50,000 and B agrees to pay on delivery. Both parties perform promises. This is called
- a. Waiver
- b. Breach of a Contract
- c. Attempted performance of contract
- d. Actual performance of a Contract
671. Which of the following is correct?
- a. Anticipatory breach of contract takes place after due date of performance
- b. In case of anticipatory breach of contract, contract may be kept alive
- c. In case of actual breach of contract, the contract becomes void if the time is the essence of the contract
- d. There is no consideration in novation of contract
672. In which of the ways can a contract be discharged by operation of law?
- a. Death of Promisor
- b. Insolvency of Promisor
- c. Merger of Right
- d. All of the above
673. In which of the ways can a contract be discharged by operation of law?
- a. Unauthorized material alteration contract
- b. Vesting of right and liabilities in the same person
- c. Neither (a) nor (b)
- d. Both (a) and (b)
674. In case of contracts involving personal skill or expertise of the Promisor, death of the Promisor leads to
- a. Discharge of a Contract
- b. Breach of a Contract
- c. Rescission of a Contract
- d. Waiver of a Contract
675. A promises to perform a dance in B's theatre. A dies. The contract is
- a. Void
- b. Discharged
- c. Rescinded

- d. Voidable
676. Assignment by operation of law takes place
- by the mutual consent of the parties
 - by the will of either party
 - when the subject matter of a contract ceases to exist
 - by the death of a party to a contract
677. When person is declared insolvent, he is all his contractual liabilities incurred prior to date of insolvency order.
- penalized for
 - responsible for
 - discharged from
 - both (a) and (c)
678. A took a house on rent from B. during tenancy, A purchases that house. The earlier contract of tenancy is
- Void
 - Discharged
 - Rescinded
 - Voidable
679. Where any party makes any material alteration to the terms of contract, with the consent of the other party, the new contract is
- Void
 - Voidable
 - Valid
 - Discharged
680. Where any party makes any material alteration to the terms of contract, without the consent of the other party. The contract is
- Void
 - Voidable
 - Valid
 - Discharged
681. A bill of exchange which was accepted by B, reaches B's hands after being negotiated and endorsed through several other parties. The contract is
- Void
 - Discharged
 - Cancelled
 - Void ab initio
682. The alteration of a contract means alteration in the of an existing contract.
- parties
 - time
 - parties and terms
 - terms
683. In which of the ways can a contract be discharged by impossibility of performance?
- Initial Impossibility
 - Supervening Impossibility
 - Either (a) or (b)
 - Neither (a) nor (b)
684. In which of the ways can a contract be discharged by impossibility of performance?
- Pre contractual Impossibility
 - Post contractual Impossibility
 - Either (a) or (b)
 - Neither (a) nor (b)
685. In which of the ways can a contract be discharged by breach?
- Anticipatory Breach
 - Actual Breach
 - Either (a) or (b)
 - Neither (a) nor (b)
686. In which of the ways can a contract be discharged by agreement between parties?
- Novation
 - Rescission
 - Alteration
 - All of the above
687. In which of the ways can a contract be discharged by agreement between parties?
- Novation
 - Merger
 - Remission
 - All of the above
688. In which of the ways can a contract be discharged by agreement between parties?
- Remission
 - Waiver
 - Either (a) or (b)
 - Neither (a) nor (b)
689. The original contract need not be performed if there is
- rescission of contract
 - novation of contract
 - alteration of contract
 - All of the above
690. If a new contract is substituted in place of an existing contract, it is called
- Alteration
 - Rescission
 - Novation
 - Waiver
691. For a valid novation, new contract must be made
- before making of the original contract
 - during the continuance of the original contract
 - after the conclusion of the original contract
 - all of the above

692. Novation may take place between
- the same parties
 - different parties
 - either (a) or (b)
 - neither (a) nor (b)
693. Alteration may take place between
- the same parties
 - different parties
 - either (a) or (b)
 - neither (a) nor (b)
694. Remission may take place between
- the same parties
 - different parties
 - either (a) or (b)
 - neither (a) nor (b)
695. Waiver may take place between
- the same parties
 - different parties
 - either (a) or (b)
 - neither (a) nor (b)
696. In discharge of contract by novation, the consideration for the new contract is
- the discharge of the old contract
 - separately supplied
 - decided by the parties
 - all of the above
697. For discharge of a contract by novation, consent of is required
- Promisee only
 - all the parties
 - at least two of the parties
 - promisor only
698. Rescission of a contract means
- termination of contract
 - the renewal contract
 - alteration of contract
 - substitution of new contract in place of earlier one
699. Rescission may occur
- by mutual agreement
 - where one party fails to perform his part of the promise
 - either (a) or (b)
 - neither (a) nor (b)
700. Where a party under a voidable contract, decides to rescind the same, the other party is
- guilty of breach of contract
 - discharged from his promise
 - entitled for damages
 - All of the above
701. Rescission of a voidable contract shall be communicated or revoked in the same manner as the communication or revocation of
- Breach
 - Acceptance
 - Proposal
 - Impossibility
702. A contracts with B to deliver goods to B on 1st July. A does not deliver goods on 1st July. B may rescind the contract. The contract is rescinded due to
- Mutual decision
 - A's failure to perform
 - Impossibility of performance
 - Revocation of proposal
703. A contracts with B to deliver goods to B on 10th July. A fails to deliver goods on 10th July. It is said
- Anticipatory Breach of contract
 - Actual Breach of contract
 - Novation of contract
 - Revocation of proposal
704. A, Hindu, who was already married, contracts to marry B, a Hindu girl. The contract is void on the ground of
- Initial impossibility
 - Supervening impossibility
 - Social impossibility
 - No consideration
705. When the parties mutually agree to change certain terms of contract. This is called
- rescission of contract
 - novation of contract
 - alteration of contract
 - remission of contract
706. In case of alteration, there is a change in the parties and new parties may be included.
- True
 - Partly True
 - False
 - None of the above
707. If a person accepts a lesser sum of money than what was contracted for in discharge of the whole debt, it is known as
- Waiver
 - Remission
 - Alteration
 - Rescission
708. Remission is the acceptance of
- a lesser sum than what was contracted for
 - a lesser fulfillment of the Promise made
 - either (a) or (b)
 - Neither (a) nor (b)

709. Under remission, a Promisee may

- remit the whole or part of the performance of a promise
- extend time of performance
- accept any other satisfaction instead of performance
- All of the above

710. A owes B Rs 50,000, Due date for payment is 25th March. A pays to B Rs 30,000 on 25th March who accepts it in full satisfaction of the debt. The debt is discharged on account of

- remission
- extension time of performance
- novation
- All of the above

711. Abandonment of a right under the contract is called

- Waiver
- Breach
- Rescission
- Alteration

712. Intentional relinquishment of a right under the contract is called

- Waiver
- Breach
- Rescission
- Alteration

713. Giving up of right under the contract is called

- Waiver
- Breach
- Rescission
- Alteration

714. No consideration is necessary for a waiver.

- True
- Partly True
- False
- None of the above

715. In case of Novation, there is

- change to some of the terms and conditions of the original Contract
- substitution of an existing contract with new one
- either (a) or (b)
- neither (a) nor (b)

716. In case of Alteration, there is

- change to some of the terms and conditions of the original contract
- substitution of an existing contract with new one
- either (a) or (b)
- neither (a) nor (b)

717. Novation can be made by

- change in the terms of the contract
- change in the contracting Parties
- either (a) or (b)
- neither (a) nor (b)

718. Alteration can be made by

- change in the terms of the contract
- change in the contracting Parties
- either (a) or (b)
- neither (a) nor (b)

719. In case of Alteration

- Old terms and conditions need not be performed
- New terms and conditions must be performed
- Both (a) and (b)
- neither (a) nor (b)

720. Where one party to a contract fails or refuses to do his part of the promises it is called

- Breach of contract
- Cancelation of contract
- Either (a) or (b)
- Neither (a) nor (b)

721. Actual Breach may take place

- Expressly
- Impliedly
- Either (a) or (b)
- Neither (a) nor (b)

722. Actual Breach may take place

- on the due date of performance
- during the course of performance
- neither (a) or (b)
- either (a) or (b)

723. Where one party to a contract declares his intention of not performing the contract before the performance is due, it is called

- Actual Breach
- Anticipatory Breach
- Either (a) or (b)
- Neither (a) nor (b)

724. Anticipatory Breach may take place

- Expressly
- Impliedly
- Either (a) or (b)
- Neither (a) nor (b)

725. Anticipatory Breach may take place when a party

- Refuses to perform his promise Under the contract
- Deliberately disables himself from performing the promise before due date of performance
- Neither (a) or (b)

d. Either (a) nor (b)

726. A agreed to supply certain goods to B which were to be imported by c. But C failed to import the goods. In this case, the contract is

- a. Discharged
- b. Not discharged
- c. Voidable
- d. Impossible to perform

727. The breach of contract means the

- a. Performance of contract by both the parties
- b. Failure of a party to perform his obligations
- c. Payment of compensations due to nonperformance
- d. Postponement of the performance of contract

728. A contracted to supply 200 bags of rice to B on 30th December, 2008. After supplying 20 bags of rice. A informed B that he will not supply remaining bags of rice to B. In this case,

- a. There is anticipatory breach of contract
- b. There is actual breach of contract
- c. Both of the above
- d. None of the above

729. A contracts to marry B. Before the agreed date of marriage, A marries C. Here, B is entitled to sue A for

- a. Actual Breach in an express manner
- b. Anticipatory Breach in an express manners
- c. Actual Breach in an implied manner
- d. Anticipatory Breach in an implied manner

730. In case of Anticipatory Breach, the Promisee can

- a. Put an end to the contract
- b. Elect to keep the contract alive till the date of performance
- c. Either (a) or (b)
- d. Neither (a) nor (b)

731. Where in an anticipatory breach, the Promisee opts to put an end to the contract and treat the anticipatory breach as actual breach of contract, the Promisee

- a. is excused from performance of his Promise
- b. has to perform his part of the promise
- c. has to perform his part of the promise to the extent of benefits received by him
- d. has to consider the contract as illegal

732. Where a party to contract transfers his rights under the contract to another person, it is legally known as

- a. Novation of contract
- b. Rescission of contract
- c. Waiver of contract

d. Assignment of contract

733. The assignment of contract by operation of law takes place

- a. On the death of party
- b. With mutual consent of parties
- c. On confirmation by legal representatives
- d. Either (b) or (c)

734. The term "frustration" is used in the English law which is the parallel concept

- a. Initial impossibility
- b. Supervening impossibility
- c. Commercial impossibility
- d. Public policy

735. A contract is void on the ground of initial possibility

- a. Only where it is unknown to the parties
- b. Only where it is known to the parties
- c. Whether it is known or unknown to the parties at the time of agreement
- d. When it is known to the third parties

736. In case the performance of a contract becomes more difficult due to some unexpected events, than the contract

- a. Becomes void on account of impossibility
- b. Becomes voidable on account difficulty
- c. is discharged on account of impossibility
- d. is not discharged on account of impossibility

737. A contract to buy B's scooter for Rs 10,000, but breaks the promise. What compensation must A pay to B?

- a. The excess amount of the contract price over the price which B can obtain for the scooter at the time of breach of promise
- b. The contract price of Rs 10,000
- c. The price which B demands
- d. None of the above

738. In contracting parties may not remain same.

- a. Remission
- b. Rescission
- c. Novation
- d. Alteration

Remedies for Breach of Contract

739. The remedies available to a person, suffering from breach of contract are

- a. Suit for Damages
- b. Suit for Injunction
- c. Quantum Meruit
- d. All of the above

740. The remedies available to a person, suffering from breach of contract are

- a. Recession of Contract
- b. Stay order from court
- c. Quantum Meruit
- d. All of the above

741. Which of these are remedies to the aggrieved party, in case of breach of contract?

- a. Rescission of contract
- b. Suit for Specific Performance
- c. Both (a) and (b)
- d. Neither (a) nor (b)

742. The contract may be rescind by

- a. Aggrieved party
- b. Court
- c. Either (a) or (b)
- d. None of the above

743. The Court may grant rescission where the contract is

- a. unlawful
- b. void
- c. unenforceable
- d. All of the above

744. The court may grant rescission where the contract is

- a. unlawful
- b. valid
- c. unenforceable
- d. All of the above

745. Where the Court orders the defaulting party to carry out the promise according to the terms of the contract, it is called

- a. Quantum Meruit
- b. Rescission
- c. Injunction
- d. Specific Performance

746. Which remedy for breach of contract may be ordered by the court?

- a. specific performance
- b. injunction
- c. either (a) or (b)
- d. both (a) or (b)

747. Specific Performance may be ordered by the Court when

- a. the contract is voidable
- b. damages are an adequate remedy
- c. damages are not an adequate remedy
- d. Quantum meruit is not possible

748. Specific Performance can be granted by court where

- a. monetary compensation is not an adequate relief

b. it is not possible to measure the actual damages

- c. either (a) or (b)
- d. neither (a) or (b)

749. In case of breach of contract of sale of some antique goods, the Court may grant

- a. Quantum Meruit
- b. Rescission
- c. Specific Performance
- d. Injunction

750. In which of the following situations, specific Performance is not granted?

- a. where monetary compensation is an adequate relief
- b. where the contract is impersonal in nature
- c. where monetary compensation is not an adequate relief
- d. Both (a) and (b)

751. In which of the following situations specific performance is not granted?

- a. where monetary compensation is an adequate relief
- b. where the contract is of a personal skill
- c. either (a) or (b)
- d. neither (a) nor (b)

752. In which of the following situations, specific Performance is not granted?

- a. where it is not possible for the Court to supervise Performance of contract
- b. where the contract is ultra-vires
- c. either (a) or (b)
- d. neither(a) nor (b)

753. means an order of the Court restraining a person from doing what he promised not to do.

- a. Quantum Meruit
- b. Rescission
- c. Injunction
- d. Specific Performance

754. A, a singer, agreed with B to perform at his theatre for two months, on a condition that during that period, he would not perform anywhere else, B could move to the Court for

- a. grant of injunction restraining A from performing in other places
- b. specific performance
- c. allowing B to perform in other places
- d. all of the above

755. Quantum Meruit is _____ word

- a. English
- b. French
- c. Latin

d. German

756. Quantum Meruit means

- a. a non-gratuitous promise
- b. as gratuitous promise
- c. as much as is earned
- d. as much as is paid

757. When a person has done some work under a contract, and other party repudiates the contract then the party who performed the work, can claim remuneration for done. This is based on the principle of

- a. Rescission
- b. Quantum Meruit
- c. Injunction
- d. Specific Performance

758. To claim remedy under Quantum Meruit, the original contract

- a. should remain intact
- b. must be discharged
- c. must be fully performed
- d. all of the above

759. Remedy under Quantum Meruit, is available to

- a. Party at fault
- b. Party not at the fault
- c. Either (a) or (b)
- d. Both (a) and (b)

760. Quantum Meruit is not applicable when

- a. Indivisible Contract not performed completely
- b. Divisible contract not performed at all
- c. Work is performed gratuitously
- d. All of the above

761. if an agreement has become void, any advantage received by party under such agreement shall restore it, or to make compensation for it. This is based on the principle of

- a. Specific Performance
- b. Rescission
- c. Injunction
- d. Quantum Meruit

762. A, a businessman leaves his goods at B's place by mistake. B treats the same as his own and uses it. B is bound to compensate A for it, under the principle of

- a. Specific Performance
- b. Reemission
- c. Special damages
- d. Quasi contract

763. Compensation is to be paid by the party receiving the benefit, where an act is done by another party, without an intention of gratuitousness. For this purpose

- a. There need not be any contract between the parties
- b. The contract between the parties may also be void
- c. Either (a) or (b)
- d. Neither (a) nor (b)

764. When an indivisible contract for lump sum amount is completely performed but badly, the person who has performed, can

- a. claim the lump sum amount
- b. claim the lump sum amount less deduction for bad work
- c. not claim any amount at all
- d. perform the work again

765. The aggrieved party is entitled to claim monetary compensation for the loss caused due to non-performance of promise. This is called

- a. Damages
- b. Restitution
- c. Quantum Meruit
- d. Injunction

766. In case of breach of contract, the compensation can be claimed for

- a. remote consequence of the breach
- b. the natural consequence of breach
- c. indirect consequence of the breach
- d. All of the above

767. In case of breach of contract, the Indian Law awards damages

- a. For loss of profit which may have been earned
- b. Which arose naturally
- c. As matter of penalty
- d. To compensate party from physical loss

768. While determining damages, which of the following are taken into account?

- a. inconvenience caused by nonperformance
- b. motive of breach
- c. manner of breach
- d. All of the above

769. The measure of damages in case of breach of a contract is the difference between the

- a. contract price and the market price at the date of breach
- b. contract price and the maximum market price during last 6 months
- c. contract price and the price at which the plaintiff might have sold the goods
- d. contract price and the price fixed by Court

770. A contracts to deliver 1,000 bags of rice at Rs 100 per bag on a future date. On the due date he refuses to deliver. Market Price on that day is Rs

120 per bag. Which Damages can be granted by court?

- a. Ordinary damage
- b. Special damages
- c. Remote damages
- d. Vindicative damages

771. A contract to deliver 1,000 bags of rice at Rs 100 per bag on a future date. On due date he refuses to deliver. Market price on that day is Rs 120 per bag. The ordinary Damages will be

- a. Rs 20,000
- b. Rs 1,20,000
- c. Rs 1,00,000
- d. Rs 20

772. Damages which an aggrieved party claims, beside general damages for any loss he has suffered owing to special circumstances known to both the parties at the time of signing the contract are called

- a. Vindictive Damages
- b. Nominal Damages
- c. General Damages
- d. Special Damages

773. When there is breach of contract, special damages are awarded

- a. Only when there are special circumstances
- b. Only when there is special loss
- c. When there is a notice of the likely special loss
- d. All of the above

774. When there are certain extraordinary circumstances present and it is communicated to the promisor, non-performance of promise entitles the Promisee to claim

- a. Ordinary Damages
- b. Special Damages
- c. Either (a) or (b)
- d. Both (a) and (b)

775. Hadley vs. Baxendale case is a leading case on

- a. Breach of Implied Term
- b. Anticipatory Breach
- c. Remoteness of Damages
- d. Bilateral Mistake of Fact

776. H's mill stopped due to breakdown of a shaft, which was delivered to B, a common carrier to be taken to the manufacturer for repairs. H did not communicate to B, that delay in delivery would cause loss of profits. For some reason, the delivery was delayed by B beyond reasonable time. Here

- a. H can rescind the contract
- b. H cannot claim loss of profits from B
- c. H can claim loss of profits from B

d. H can claim loss of profits from the manufacturer

777. The damages awarded by way of punishment are called

- a. Special Damages
- b. Ordinary Damages
- c. Exemplary Damages
- d. Nominal Damages

778. Nominal damages are awarded to indicate that the party has

- a. won the case
- b. actually suffered the loss
- c. suffered huge loss
- d. suffered unusual loss

779. Exemplary damage is also known as

- a. vindictive damages
- b. punitive damages
- c. Direct damages
- d. Either (a) or (b)

780. Vindictive Damages have been awarded

- a. for a breach of promise to marry
- b. for wrongful dishonour of a cheque
- c. Either (a) or (b)
- d. Neither (a) nor (b)

781. Nominal Damages can be

- a. Claimed by the aggrieved party as a matter of right
- b. awarded only at the discretion of the Court
- c. claim by the aggrieved party for loss
- d. all of the above

782. Liquidated damages means an amount of that may result from breach of contract

- a. actual loss
- b. loss suffered
- c. pre-estimated probable loss
- d. pre-estimated actual loss

783. General damages arise

- a. Naturally in the usual course from the breach of contract itself
- b. In the unusual circumstance from the breach of contract
- c. In the special circumstance from breach of contract
- d. When special loss from breach of contract

784. Duty to mitigate damages on the part of injured party arises in case of

- a. anticipatory breach
- b. actual breach
- c. neither (a) nor (b)
- d. either (a) or (b)

785. Pre estimated amount of compensation payable in case of breach of contract is called

- a. Penalty
 b. Liquidated damages
 c. Either (a) or (b)
 d. Neither (a) nor (b)
786. Which of the following is correct?
 a. Liquidated damages are pre-estimated probable damages
 b. Penalty is imposed by way of punishment for breach of contract
 c. Courts generally do not award vindictive damages
 d. All of the above
787. The intention for fixing Liquidated Damages is
 a. Recovery of damages that might arise due to breach
 b. Recover more amount of damages than suffered due to breach
 c. neither (a) or (b)
 d. both (a) and (b)
788. If parties make no attempt to estimate the loss but in advance, fix an amount payable on non-performance of the contract, such amount is called
 a. Exemplary Damages
 b. Special damages
 c. Liquidated Damages
 d. Penalty
789. The essence of Liquidated damages is that it should be
 a. genuine pre-estimate of damages
 b. more than probable damages
 c. less than probable damages
 d. any of the above
790. Where the amount payable in case of breach is fixed in advance by way of liquidated damages, the aggrieved party may claim
 a. a reasonable compensation for the breach
 b. the amount so fixed in the contract
 c. (a) or (b) whichever is lower
 d. (a) or (b) whichever is higher
791. Liquidated damages are calculated A contract
 a. at the time of making
 b. after making
 c. at the time of performance of
 d. either (a) or (b)
792. Penalty for breach of contract are estimated a contract
 a. at the time of making
 b. after making
 c. at the time of performance of
 d. either (b) or (c)
793. A stipulation for increased interest from the date of default is known as
 a. compensation
 b. penalty
 c. Liquidated damages
 d. Damages
794. Quasi Contract is based upon the principle of
 a. Equality
 b. No unjust enrichment of a part at the cost of another
 c. Neither (a) nor (b)
 d. Both (a) and (b)
795. A Quasi Contract
 a. is a contract
 b. is an agreement
 c. has only a legal obligation
 d. is none of these
796. Which of the following is incorrect?
 a. In Quasi-contract, the promise to pay is always an implication of law and not of facts
 b. Quasi-contracts are not contracts at all
 c. A quasi-contract is implied in law
 d. A quasi-contract is not a real contract
797. Claim for necessities supplied to a person incompetent to contract, from the property of such person. It is covered under concept of
 a. Quasi contract
 b. Caveat emptor
 c. Contingent contract
 d. Wagering agreement
798. Which of the following is correct?
 a. Quasi contracts are intentionally made by the parties
 b. Quasi contracts are imposed by law
 c. Quasi contracts are based on implied intentions of the parties
 d. Both (b) and (c)
799. In case of necessities supplied to a person incompetent to contract, which of the following is true?
 a. Property of the incapable person shall be liable
 b. The incapable person is not liable personally
 c. Where the incapable person does not own any property, nothing shall be payable
 d. All of the above
800. Which of the following is correct?
 a. A quasi contract is not based on the ground of natural justice
 b. Quasi contract are based on express intentions of the parties

- c. Quasi contract give rise to obligations similar to that of a true contract
 d. All of the above
801. A who supplies the wife and children of B, a lunatic, with necessaries suitable to their condition in life, is entitled to be reimbursed from
 a. B's property
 b. B's personally
 c. B's wife and children
 d. As directed by Court
802. A quasi contract is not a Contract.
 a. real
 b. valid
 c. real and valid
 d. voidable
803. A quasi contract is law.
 a. entered by
 b. creature of
 c. made by
 d. both (a) and (c)
804. Which of the following is incorrect?
 a. Claim on quantum meruit arises when a contract has become void
 b. Claim on quantum meruit does not arise when the contract is divisible
 c. Specific performance order is possible only by a Court
 d. Both liquidated damages and are stipulated at the time of formation of contract
805. A person enjoying the benefits of a lawful non-gratuitous act of another
 a. is not liable to compensate that another
 b. that another cannot claim any compensation
 c. is liable to compensate for that
 d. has to perform the same non-gratuitous act in return
806. Obligation of a person enjoying benefit of non-gratuitous act arises in respect of
 a. Lawful acts only
 b. Illegal acts only
 c. Either (a) nor (b)
 d. Both (a) and (b)
807. A saves B's goods from fire.
 a. A is not entitled to compensation from B
 b. A is entitled to any compensation from B
 c. B must compensate A
 d. None of the above
808. A finder of goods means
 a. a person who finds the goods belonging to another
 b. a person who returns any goods to the owner
 c. a person who finds goods belonging to another, and takes them into his custody
 d. any of the above
809. A finder of goods
 a. has no responsibility for the goods
 b. is subject to the same responsibility as a bailee
 c. is the owner of the goods
 d. None of the above
810. Responsibility of finder of lost goods is covered by concept of _____
 a. Quasi contract
 b. Wagering agreement
 c. Contingent contract
 d. Caveat emptor
811. A finder of lost goods is a
 a. Bailor
 b. Bailee
 c. True owner
 d. Thief
812. A and B jointly owe Rs 10 lakhs to c. A pays the amount to C and B, not knowing this fact, pays Rs 10 lakhs over again to C.
 a. C is bound to repay the amount to be
 b. C is bound to repay the amount to B and A jointly
 c. C is bound to repay the amount to A and B equally
 d. C is not bound to repay the amounts to B
813. A Quasi- contract arises from
 a. the intention of parties
 b. compliance of all legal formalities
 c. from a true contract
 d. from the principle of natural justice
814. Which of the following statements is correct with reference to quasi-contractual obligations?
 a. There is no real contract in existence
 b. There is no offer and acceptance
 c. There is no intention to make a contract
 d. All of the above
815. Ordering the relief by way of specific performance of contract, is
 a. At the discretion of the Court
 b. Right of a person and the court must give it
 c. Provided in the Indian Contract Act
 d. Both (a) and (b)
816. In which of the following cases, can specific performance be allowed?
 a. Contract to sing a song
 b. Contract to paint a picture

- c. Contract to enter into partnership at will
- d. None of the above

817. Where the banker wrongfully dishonours a customer's cheque, the court may award

- a. Ordinary damages
- b. Special damages
- c. Exemplary damages
- d. None of the above

818. A contracts to repair B's house and receive payment in advance. A repairs the house, but not according to contract.

- a. B is entitled to recover from A the additional cost of making the repairs as per the contract
- b. B is not entitled to recover any cost from A
- c. B is entitled to recover penalty from A for non performance of the contract
- d. None of the above

819. A gives B a bond for the repayment of Rs 1,000 with interest at 12 percent at the end of six months, with a stipulation that, in case of default, interest shall be payable at the rate of 15 percent from the date of default.

- a. B is entitled to recover from A, a reasonable compensation
- b. B is not entitled to recover from A any compensation
- c. B is entitled to recover from A, compensation and interest
- d. Any of the above

820. Which of the following states is correct?

- a. Ordinarily, the damages for loss of reputation are not recoverable
- b. Nominal damages are very small in amount
- c. Nominal damages are not small in amount
- d. Both (a) or (b)