

## CA CPT Law PERFORMANCE, DISCHARGE AND BREACH OF CONTRACTS

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### Instruction for Qusetion 1 To 50 MCQ

- Qn.1)** \_\_\_\_\_ damages are measured on the basis of extent of shock to the sentiments of promisee [1]  
A. Vindictive  
B. Nominal  
C. Loss of reputation  
D. Discomfort
- Qn.2)** Where neither the Creditor nor Debtor makes any appropriation and there are many debts of equal standing in the order of time, payment shall be applied in discharge of - [1]  
A. the smallest debt  
B. the largest debt  
C. each proportionally  
D. any debt to which the amount tallies
- Qn.3)** Suman, age of 17 year, enter into a contract for the sale of property but breaches the contract before performance. Can buyer file any claim in this condition? [1]  
A. Yes  
B. No  
C. Can't say  
D. None.
- Qn.4)** When an inferior right accruing to a party in a contract merges into a superior right accruing to the same party, then : [1]  
A. The contract conferring the superior right is discharged  
B. The contract conferring the inferior right is discharged  
C. Both contracts are not discharged  
D. Both contract are discharged
- Qn.5)** Where a contract contains reciprocal promises and certain promises therein are legal & under specified situations, certain other promises are illegal - [1]  
A. the whole set of promises are void  
B. the whole set of promises are valid  
C. the set of promises to do illegal things are void and the other promises are valid  
D. the set of promises to do legal things are void and the other promises are valid
- Qn.6)** A contract of personal volition is not performed by : [1]  
A. The agent  
B. The promisees  
C. The legal representative  
D. All of these
- Qn.7)** In case of anticipatory breach, where the promisee elects to keep the contract alive, if during the time the contract remains open, some event happens discharging the promisor from his liability, the contract becomes : [1]  
A. Voidable  
B. Illegal  
C. Contingent  
D. Void
- Qn.8)** Whether time is the essence of the contract depends on - [1]  
A. the intention of the parties  
B. the facts and circumstances of each separate case  
C. the provisions of law  
D. all of the above
- Qn.9)** The original contract need not be performed if there is : [1]

- A. Novation of contract
- B. Resession of contract
- C. Alteration of contract
- D. In all the above cases

- Qn.10) Whether time is the essence of the contract depends on the :** [1]  
A. Provisions of law  
B. Intention of the parties  
C. Facts and circumstances of each separate case  
D. All of the above
- Qn.11) A, B and C jointly promise to give Rs. 6,000 to D. D can enforce the contract -** [1]  
A. Jointly  
B. Severally  
C. Specifically  
D. Both jointly and severally
- Qn.12) R contracts to sell his car to S for Rs. 7 Lacs and S agrees to pay on delivery. Once the car is delivered to S and S pays Rs. 7 Lacs, Contract comes to an end. This is called :** [1]  
A. Breach of a contract  
B. Discharge of a contract  
C. Rescission of a contract  
D. Waiver of a contract
- Qn.13) The offer to perform the contract must be -** [1]  
A. Unconditional  
B. Conditional  
C. Rational  
D. Irrational
- Qn.14) A sent a proposal for sale of goods to B through a letter. However, letter was still in transit, A sent the letter of renovation of offer to B which was received by B before the first letter reached B.** [1]  
A. The contract is valid  
B. The revocation is valid as it reached B before the first letters reached B.  
C. The contract is void  
D. None of these
- Qn.15) Where the Debtor does not expressly intimate or where the circumstances attending on a payment do not indicate any intention, the Creditor may apply it to a time barred debt also.** [1]  
A. True  
B. Partly True  
C. False  
D. None of the above
- Qn.16) The liability of Joint Promisors is -** [1]  
A. Joint  
B. Several  
C. joint or several  
D. joint and several
- Qn.17) A Promisee can accept the performance from -** [1]  
A. Promisor himself  
B. Representative of the Promisor competent to perform  
C. A third person  
D. Any of the above
- Qn.18) \_\_\_\_\_ damages are awarded to establish a right of decree for the breach of contract.** [1]  
A. Ordinary damages  
B. Nominal damages  
C. Special damages  
D. Liquidated damages

- Qn.19) A promises to deliver 10 bags of wheat to B. In this case -** [1]  
 A. A may personally deliver the wheat to B  
 B. A may employ some person to deliver the same to B  
 C. Either a or b  
 D. Neither a nor b
- Qn.20) A promises to paint a picture for B by a certain day at a certain price. A dies before the promised day. Which one of the following is the correct legal position?** [1]  
 A. The agreement becomes unlawful  
 B. The agreement lapses for both the parties  
 C. The agreement becomes voidable at the option of A's legal representative  
 D. The agreement is void ab-initio
- Qn.21) A mother owes Rs. 10,000 to her daughter. But this debt has become barred by the Limitation Act. The mother signs a written promise to pay Rs. 3,000 on account of the debt. In such a case which one is correct :** [1]  
 A. There is no contract as the debt is already barred by Limitation and so it cannot be revived by as subsequent promise  
 B. There is no contract because the mother has promised to give only a part of time debt  
 C. This is enforceable against the mother because such a promise is valid and binding under the Indian Contract Act  
 D. None
- Qn.22) Where time is not the essence of the contract, and the Promisor fails to do such thing(s) at or before the specified time, then the Promisee is -** [1]  
 A. entitled to compensation for any loss sustained by him due to failure of performance within specified time  
 B. not entitled to compensation for any loss sustained by him due to failure of performance within specified time  
 C. entitled to rescind the contract  
 D. all of the above
- Qn.23) Where time is made the essence of a contract by subsequent notice, .....shall be given to the other party to perform his promise.** [1]  
 A. a short time  
 B. a sufficient and reasonable time  
 C. no time  
 D. a long time
- Qn.24) A owes B Rs. 50,000. B accepts some of A's goods in reduction. of debt. In such case, the delivery of goods -** [1]  
 A. operates as a part of the payment.  
 B. does not reduce A's liability to B.  
 C. is against the provisions of Contract Act.  
 D. is without any consideration.
- Qn.25) Specific Performance may be ordered by the court when :** [1]  
 A. Damages are in adequate remedy  
 B. Damages are not an adequate remedy  
 C. Defaulting party is not ready to pay damages  
 D. Contract is not voidable
- Qn.26) Suman, age of 17 year, enter into a contract for the sale of property but breaches the contract before performance. Can buyer file any claim in this condition?** [1]  
 A. Yes  
 B. No  
 C. Can't say  
 D. None.
- Qn.27) In the event of default by any of the Joint Promisors in contribution of performance, the other Joint Promisors have no right against the defaulter.** [1]  
 A. True

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

- Qn.28) Damages which an aggrieved party claim besides 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 known as :** [1]
- A. General damages
  - B. Special damages
  - C. Nominal damages
  - D. Vindictive damages
- Qn.29) Generally, the following damages are not recoverable :** [1]
- A. Ordinary Damages
  - B. Special Damages
  - C. Remote Damages
  - D. Nominal Damages
- Qn.30) Which one of the following is relevant in normal circumstances in determining the amount of damages from breach of contract?** [1]
- A. Normally expected loss
  - B. Difference between market price and contract price
  - C. Sudden closure price of production
  - D. Additional expenses for procuring the goods
- Qn.31) Rescission of a voidable contract is communicated and revoked in the same manner as the communication of revocation of :** [1]
- A. Proposal
  - B. Acceptance
  - C. Breach
  - D. Impossibility
- Qn.32) R contracts to sell his car to S for Rs. 7 Lacs and S agrees to pay on delivery. Once the car is delivered to S and S pays Rs. 7 Lacs, Contract comes to an end. This is called :** [1]
- A. Breach of a contract
  - B. Discharge of a contract
  - C. Rescission of a contract
  - D. Waiver of a contract
- Qn.33) Upon an offer of performance by the Promisor, if the Promisee neglects to provide or does not provide reasonable facilities for performance, the Promisor is -** [1]
- A. bound to offer performance again
  - B. excused by such neglect or refusal as to any non-performance caused thereby
  - C. not entitled to remuneration
  - D. not entitled to sue the Promisee
- Qn.34) In contracts of sale of movable properties, time is :** [1]
- A. Presumed to be the essence of the contract
  - B. No presumption as to time can be raised
  - C. Not presumed to be the essence of the contract
  - D. All of the above
- Qn.35) A contracts with B to deliver certain goods at his warehouse on 18th January, for which B promises to pay on delivery. A shall perform his part of delivery -** [1]
- A. at any time before 18th January
  - B. on 18th January
  - C. at any time after 18th January
  - D. any one of the above
- Qn.36) In which of the following cases a claim is not enforceable on the ground of quantum meruit?** [1]
- A. A is engaged by B to write a book to be published in installments in weekly magazine. The magazine is abandoned after a few issues.

- B. A is employed as a managing director in a company. After he renders service for sometime it is found that the directors were not qualified to appoint him as such.
- C. A undertakes to build a house for B for Rs. 25,000, but after having done half the work he abandons the contract. B afterwards completes the house.
- D. A decorates B's first and fits a wardrobe and a book-case for a lump sum of Rs. 15,000. The work is done but B complains of faulty workmanship.

- Qn.37) X and Y contract that Y shall build a house for X for Rs. 20 Lacs. Y is ready and willing to construct the house but X prevents him from doing so, in such case :** [1]
- A. Y is entitled to recover compensation for any loss suffered by him
- B. Y can opt to rescind the contract
- C. (a) or (b)
- D. (a) and (b)
- Qn.38) Where the Promisor has -** [1]
- (i) refused to perform; or**
- (ii) disabled himself from performing his promise in entirety, the Promisee may -**
- A. put an end to the Contract and return the benefits, if any, he has received from part performance of the promise
- B. claim damages on account of non-performance by Promisor
- C. signify (by words or conduct) his consent to continuance of contract, inspite of part performance
- D. all of the above
- Qn.39) Where the Promisor has offered to perform his promise to the Promisee/any one of the Joint Promisees, and the Promisee refuses to accept his performance -** [1]
- A. Promisor is not responsible for non-performance
- B. Promisor does not lose his rights under the contract
- C. Both a and b
- D. Neither a nor b
- Qn.40) Generally, the following damages are not recoverable :** [1]
- A. Ordinary Damages
- B. Special Damages
- C. Remote Damages
- D. Nominal Damages
- Qn.41) Where time is the essence of the contract, and the Promisor fails to do the agreed thing(s) at or before the specified time, then, at the option of the Promisee** [1]
- A. the entire contract becomes voidable
- B. so much of contract as has not been performed, becomes voidable
- C. either a or b
- D. the entire contract becomes void
- Qn.42) Impossibility existing subsequent to the formation of contract is called \_\_\_\_** [1]
- A. Supervening impossibility
- B. Subsequent impossibility
- C. Both of above
- D. None of these
- Qn.43) The remedies open to a person, suffering from breach of contract are :** [1]
- A. Suit for Damages
- B. Suit for Injunction
- C. Suit upon Quantum Meruit
- D. All of these
- Qn.44) Novation requires:** [1]
- A. Mutual consent
- B. Mutual agreement
- C. Free consent
- D. None
- Qn.45) Where a contract consists of reciprocal promises and such reciprocal promises are to be** [1]

**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. There is no valid contract at all

**Qn.46) Commercial impossibility does not make the contract \_\_\_\_\_ [1]**  
A. Valid  
B. Void  
C. Illegal  
D. Voidable

**Qn.47) Damages which an aggrieved party claim besides 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 known as : [1]**  
A. General damages  
B. Special damages  
C. Nominal damages  
D. Vindictive damages

**Qn.48) When two or more persons have made a joint promise, then, unless a contrary intention appears from the contract, the promise shall be performed/fulfilled, after the death of any of them - [1]**  
A. by the surviving Promisor(s)  
B. by the Representative of the deceased Promisors  
C. by either a or b  
D. by both a and b

**Qn.49) X sold rice to Y by sample and Y thinking that they were old rice purchased them, but the rice was new. In this case : [1]**  
A. Y is bound by the contract  
B. Y is not bound by the contract  
C. Y can recover damages from X  
D. Y can sue for replacement of new rice with old rice

**Qn.50) If time is the essence of the contract and the Promisor fails to perform the contract by the specified time, the contract - [1]**  
A. becomes void  
B. remains valid  
C. becomes voidable at the instance of the Promisee  
D. becomes unenforceable