

Offer and Acceptance

1. Quotation of price is a –
(A) Offer (B) Invitation to offer (C) Cross offer (D) None of these
2. When offer is accepted, it is called –
(A) Agreement (B) Contract (C) Promise (D) Offer
3. When offer is accepted and there is consideration, then it is called –
(A) Agreement (B) Contract (C) Promise (D) Offer
4. Offer comes to an end by –
(A) Acceptance (B) Communication (C) Revocation (D) Infinity
5. Offer can be accepted by –
(A) Offeror (B) Promisor (C) Offeree (D) Acceptor
6. A Tender will be irrevocable, where –
(A) Tender has, for some consideration, promised not to withdraw
(B) There is a statutory prohibition against withdrawal
(C) Either (A) or (B)
(D) Neither (A) nor (B)
7. Death or insanity of the proposer –
(A) Operates as revocation of the proposal, irrespective of whether the acceptor has the knowledge of the same prior to his acceptance
(B) Operates as revocation, only if the acceptor knows about it before acceptance
(C) Operates on court order only
(D) Does not operate on court order
8. X's brother runs away from the house. Y, who is an employee of X, offers to search for the brother and goes out for the purpose. In the absence of Y, X offers a reward of Rs.100 to any one, who can either find out the brother or give clues enabling X to find his brother. Later on, Mr.Y, without having any knowledge about reward, found the X's brother and brought him back. Whether Y can claim the reward?
(A) Yes (B) No
9. A, by a letter dated 22 December, 2008 offers to sell his house to B for Rs.50 Lakh. The letter reaches B on 27th December, 2008, who posts his acceptance on 28th December, 2008 which reaches A on 30th December, 2008. Here, the communication of offer is completed on –
(A) 25th December, 2008 (B) 27th December, 2008
(C) 28th December, 2008 (D) 30th December, 2008
10. In Q. 48 above, the communication of acceptance is complete against A on 28th December, 2008 and against B on –
(A) 25th December, 2008 (B) 27th December, 2008
(C) 28th December, 2008 (D) 30th December, 2008
11. A, by a letter, offers to sell his car to B for Rs.1,00,000. Without knowing A's offer, B,
by a letter offers to buy the same car from A for Rs.1,00,000. Here –
(A) A binding contract comes into existence as B's letter is equivalent to implied acceptance of A's offer
(B) No binding contract comes into existence as B's letter is merely a cross offer
(C) A voidable contract is entered into
(D) None of these
12. Which of the following is false?
An acceptance-
(A) Must be communicated
(B) Must be absolute and unconditional
(C) Must be accepted by a person having authority to accept
(D) May be presumed from silence of offeree.
13. Which of the following is false?

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An offer to be valid must -

- (A) intend to create legal relations
 - (B) have certain and unambiguous terms
 - (C) contain a term that non-acceptance would lead to acceptance
 - (D) be communicated to the person to whom it is made
14. B has posted his letter of acceptance on a particular day and two days thereafter sends a telegram revoking his acceptance. But the telegram reaches A after the letter. Will the acceptance be deemed to have been revoked?
- (A) Yes
 - (B) No
15. An offer may lapse by -
- (A) Revocation
 - (B) Counter offer
 - (C) Rejection of offer by offeree
 - (D) All of these
16. Cross offer means -
- (A) Exchanging identical offers by two parties in ignorance
 - (B) Offer made to the public in general
 - (C) Offer allowed to remain open for acceptance over a period of time
 - (D) Offer made to a definite person
17. Which one of the offer is a valid offer?
- (A) A garment store gave the following advertisement in a newspaper - "Special sale for tomorrow only. Men's night suits reduced from Rs.200 to Rs.100."
 - (B) P says to Q, "I will sell you a digital camera." P owns three different types of digital cameras of various prices.
 - (C) An auctioneer displays a refrigerator before a gathering in an auction sale
 - (D) A advertises in a leading daily newspaper that he would pay Rs.2,000 to anyone who finds and returns his lost dog.
18. Which one of the following is not a contract?
- (A) A engages B for a certain work and promises to pay such remuneration as shall be fixed by C. B does the work
 - (B) A and B promises to marry each other
 - (C) A takes a seat in a public vehicle
 - (D) A invites B to a card party. B accepts the invitation
19. An offer made to the public in general which anyone can accept and do the desired act is -
- (A) General Offer
 - (B) Special Offer
 - (C) Cross offer
 - (D) Counter offer
20. Standing offer means -
- (A) After allowed to remain open
 - (B) After made to public in general
 - (C) When the offeree offers to qualified acceptance of the offer
 - (D) Offer made to a definite person
21. A proposal when accepted becomes -
- (A) Acceptance
 - (B) Agreement
 - (C) Promise
 - (D) Lawful Promise
22. An acceptance must be conditional
- (A) True
 - (B) False
23. Communication of offer and acceptance can be made only when the parties are face to face.
- (A) True
 - (B) False
24. Which of the following is/are the essential elements of a valid offer?
- (1) Offeror must have an intention to be bound by his offer
 - (2) Offer must be made to a specific person and not to public at large
 - (3) Must be definite

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- (4) Offer can be vague
(A) 1 & 3 (B) 2 & 3 (C) 3 & 4 (D) 1 & 4
25. An offer, accepted without knowledge, does not confer any legal rights on the acceptor.
(A) True, as the offer cannot be accepted without its knowledge
(B) False, as there is no such legal provision/ decision is this regard
(C) Such contracts are Voidable at the option of the party, whose consent is implied
(D) Both (A) and (C)
26. A general offer made to the public at large is valid, and binding contract is made with a person, who having the knowledge of the offer—
(A) comes forwards and acts accordingly
(B) acts accordingly, and his act is ratified by the offeror
(C) Acts accordingly, and his act is not ratified by the offeror
(D) None of these
27. On the acceptance of an offer by an offeree,
(A) Only the acceptor becomes bound by accepting the offer
(B) Only the offeror becomes bound as his terms are accepted
(C) Both the acceptor and offeree becomes bound by the contract
(D) None of these
28. A, by a letter dated 15th March, offers to sell his car to B, who posts his acceptance on 20th March. Here –
(A) A can revoke his offer before he receives the letter of acceptance
(B) A cannot revoke his offer as he becomes bound by the acceptance on 20th March
(C) A can revoke the offer at any time
(D) None of the above
29. In Q. 67 above—
(A) B can revoke his acceptance at any time till his letter reaches A
(B) B cannot revoke his acceptance as he becomes bound by posting his acceptance letter
(C) B can revoke the acceptance at any time
(D) None of the above
30. Standing Offer means –
(A) Offer allowed to remain open for acceptance over a period of time
(B) Offer made to the public in general
(C) When the offeree offers to qualified acceptance of the offer
(D) Offer made to a definite person
31. When the offeree offers to qualified acceptance of the offer subject to modifications and variations, he is said to have made a –
(A) Standing, Open (B) Counter Offer (C) Cross offer (D) Special Offer
32. X of Agra sends a letter to Y of Delhi offering to sell his car for Rs.4,00,000. This letter is posted on 1st January and reaches Y on 6th January. Y sends his acceptance by post on 10th January, but X receives this letter of acceptance on 14th January. When is the communication of the offer complete?
(A) 1st January (B) 6th January (C) 7th January (D) 10th January
33. In Q. 71 above, when is the communication of the acceptance complete as against acceptor?
(A) 1st January (B) 10th January (C) 11th January (D) 14th January
34. In Q. 71 above, If X sends a telegram on 7th January revoking his offer, and his telegram reaches Y before the letter of acceptance is posted, Is revocation of offer valid?
(A) It is Valid (B) It is invalid (C) It is uncertain (D) None of the above

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35. In Q. 71 above, If Y sends a telegram on 13th January revoking his acceptance, and his telegram reaches X before the letter of the acceptance is received by Y. Is revocation of acceptance valid?
(A) It is Valid (B) It is invalid (C) It is uncertain (D) None of the above
36. The person making the proposal is called –
(A) Offeror (B) Offeree (C) Participator (D) Principal
37. 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
38. When an offer is made to a definite person, it is known as –
(A) General Offer (B) Cross offer (C) Counter offer (D) Special offer
39. A writes to B, "Will you buy my car for Rs.4.5 Lakhs? Reply by next Sunday." B communicates his acceptance on Monday next. In such case –
(A) A is not bound to B's delayed acceptance
(B) A is bound to B's acceptance
(C) B has to make a counter offer
(D) There is no offer at all
40. In cases of acceptance on phone, the contract is made at the place –
(A) where the acceptance is communicated
(B) where the offer was made
(C) from where the acceptance is made
(D) all of the above
41. If the offeror prescribes the mode and manner of acceptance, the acceptance –
(A) Should be in the manner and mode prescribed
(B) need not be in the manner and mode prescribed
(C) can be in any reasonable manner and mode prescribed
(D) all of the above
42. S knew that on account of his criticism of plays in the past, he would not be allowed entry at a theatre. The Managing Director of the theatre gave instructions that a ticket should not be sold to S. S, however obtained a ticket through one of his friends. On being refused admission to the theatre, he sued for damages for breach of contract.
(A) S is entitled to damages
(B) S is entitled to enter the theatre
(C) There is a valid contract between the theatre Company and S.
(D) There is no contract between the theatres Company and S.
43. Communication of a proposal is complete when it comes to the knowledge of the person to whom it is made.
(A) True (B) Partly true (C) False (D) None of the above
44. No contract can arise, if –
(A) the offer is not made to an ascertained person
(B) the acceptance is made by an unascertained person
(C) the offer is made to an ascertained person
(D) the acceptance is made by an ascertained person
45. M agreed on Monday to sell his property N by a written agreement which stated "that his offer to be left open until Saturday 10 a.m." In the meantime on Wednesday, M enters into a contract to sell the property to O. N, who was sitting in the next room, hears about the deal between M and O. On Friday, N accepts the offer and delivers to M the letter of acceptance. Is N's acceptance valid?
(A) No, since offer is revoked by M
(B) Yes, since overhearing by N does not amount to a valid revocation by M
(C) No, since O has a clean title to the property

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- (D) Cannot decide based on the above facts
46. U sends a letter to Y proposing to sell his land. Y sends his acceptance by post. U can revoke the offer at any time before or at the moment when Y posts his letter of acceptance, but not afterwards.
(A) True (B) Partly true (C) False (D) None of the above
47. Communication of offer and acceptance can be made only when the parties are face to face
(A) True (B) Partly true (C) False (D) None of the above
48. Which of the following is an Offer?
(A) Mere quotation of terms by a trader
(B) Quotation of the lowest price in answer to an enquiry
(C) Advertisement for sale or auction of goods
(D) Bids in an auction sale
49. 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) is 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
50. A general offer made to the public at large is valid, and binding contract is made with a person, who having the knowledge of the offer—
(A) comes forward acts accordingly
(B) acts accordingly, and his act is ratified by the offeror
(C) Neither (A) nor (B)
(D) Both (A) and (B)
51. On the acceptance of an offer by an offeree —
(A) Only the acceptor becomes bound by accepting the offer
(B) Only the offeror becomes bound as his terms are accepted
(C) Both the acceptor and offeror becomes bound by the contract
(D) None of the above
52. Which of the following is an invitation to offer?
(A) A tender to supply goods at a certain time (B) A request for a loan
(C) Bids in an auction sale (D) A catalogue of goods for sale
53. Silence constitutes a valid acceptance, only if—
(A) Offeree has, by his previous conduct, indicated that silence amounts to his acceptance
(B) Offer contains a term that offeree's silence will constitute acceptance
(C) Both (A) and (B)
(D) Either (A) and (B)
54. Which of the following conditions is not necessary for a valid offer?
(A) Intention to obtain consent of the offeree
(B) Communication to the person to whom it is made
(C) Intention to create legal obligation
(D) Expressed in written form
55. In a self-service departmental store, a valid contract is conducted by an offer and its acceptance, when —
(A) Customers enters departmental store
(B) Customers pick up the articles
(C) Customers take the articles to the cashier's desk
(D) Cashier accepts the payment from the customers
56. M offers to sell his house to N for Rs.36 lakhs and states in his letter that the offer would be considered as accepted if acceptance is not communicated within a certain time. Here, the letter of M would —
(A) Amount to a proposal (B) Not amount to a proposal

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- (C) Amount to a promise (D) Amount to acceptance
57. Which of the following results in an offer?
(A) a declaration of intention
(B) an invitation to offer
(C) an advertisement offering reward to anyone who finds the lost dog of the advertiser
(D) an offer made in a joke
58. Performance of conditions of an offer for the acceptance of any consideration for a reciprocal promise which may be offered with a proposal, is a/an, -
(A) acceptance of the offer (B) rejection of the offer
(C) counter offer (D) revocation of the offer
59. In case, where a proposal and its acceptance are not made by words and are inferred from the conduct of the parties. They are known as-
(A) Implied offers (B) Expressed offers
(C) Specific offers (D) General offers
60. L offered to take a house on lease for a period of three years at Rs.1 Lakh p.a. if the house was "put through repairs and rooms were handsomely decorated". Here, there is no offer since -
(A) there is no legal obligation
(B) there is no communication of offer
(C) the terms of offer is too vague
(D) the offer is conditional
61. A, by a letter dated 15th March, offers to sell his car to B, who posts his acceptance on 20th March. Here -
(A) B can revoke his acceptance at any time till his letter reaches A
(B) B cannot revoke his acceptance as he becomes bound by posting his acceptance letter
(C) Neither (A) nor (B)
(D) We cannot decide without further information
62. A by a letter, offers to sell his ipod to B for Rs.20,000. Without knowing A's offer, B, by a letter, offers to buy the same ipod from A for Rs.20,000. Here -
(A) a binding contract comes into existence B's letter is equivalent to acceptance of A's offer
(B) no binding contract comes into existence as B's letter is merely a cross offer
(C) no binding contract comes into existence as consideration is insufficient
(D) the Indian Contract Act is silent on such issues
66. When a person signifies to another his willingness to do or to abstain from doing 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) accept an offer (D) create legal obligation
64. S sent his servant L, to trace his missing nephew. Later, S offered a reward for anyone who traced his nephew. L, ignorant of the announcement, traced the boy. *Subsequently*, he claimed the reward, when he came to know of it.
(A) L is entitled to the reward (B) L was not entitled to the reward
(C) S has to find his nephew himself (D) No reward can be given for tracing missing persons
65. M offers to sell his car for Rs.3.8 lakhs to N. N says he would buy it for Rs.3.5 lakhs. This is a case of -
(A) Counter offer (B) Implied offer (C) Direct offer (D) Express offer
66. A company announced a reward of £100 to anyone who contacted influenza after using its smoke balls for a certain period. Mrs.C used the smoke balls but contacted

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- influenza. She claimed the reward but the company rejected her claim stating that she did not communicate her acceptance to the company. Here –
- (A) Acceptance is not communicated and reward cannot be claimed
 - (B) Offer is not communicated and reward cannot be claimed
 - (C) Acceptance need not be communicated and reward can be claimed
 - (D) There is no claim since reward cannot be given for containing diseases
67. Yatra Travels operates buses for Delhi to Agra. The bus standing at its Bay in the bus terminus is with a view to taking the passengers. There is _____ to take passengers.
- (A) Implied Offer
 - (B) Express offer
 - (C) Internal Offer
 - (D) External offer
68. An acceptance in ignorance of an offer is also a valid acceptance
- (A) True
 - (B) Partly true
 - (C) False
 - (D) None of the above
69. A change in law or circumstance rendering the original offer unlawful or impossible, will lead to termination of the offer.
- (A) True
 - (B) Partly true
 - (C) False
 - (D) None of the above
70. Counter offer/cross offer made by the other party, does not terminate the original offer,
- (A) True
 - (B) Partly true
 - (C) False
 - (D) None of the above
71. A launderer had given to his customer a receipt for clothes received for washing. Special conditions for this were printed on the reverse of the receipt. The Customer claimed that he could not understand the conditions. Is the customer's claim valid?
- (A) Yes, the customer had not understood the special conditions
 - (B) Yes, there is no consensus ad idem
 - (C) No, the customer is deemed to have understood the special conditions
 - (D) No, the receipt is invalid in law
72. Death of offeree before acceptance terminates the offer.
- (A) True
 - (B) Partly true
 - (C) False
 - (D) None of the above
73. Which of the following constitute invalid acceptance?
- (A) Mental acceptance without communicating to the proposer
 - (B) Failure to answer/respond to the proposer
 - (C) Silence on the part of the offeree
 - (D) All of the above
74. Revocation of offer need not be communicated to the offeree.
- (A) True
 - (B) Partly true
 - (C) False
 - (D) None of the above
75. B sent a draft agreement relating to supply of coal and coke to the manager of a railway company for his acceptance. The manager wrote "approved" on the same and put the draft in his table drawer, intending to send it to the company's solicitors for a formal contract to be drawn up. Overrigh the draft agreement remained in the drawer. The transaction is –
- (A) a valid contract
 - (B) not an agreement as the acceptance was never communicated to the proposer
 - (C) a voidable contract
 - (D) a void contract
76. Where special terms are communicated by way of conditions on the reverse of a train ticket, receipt, etc., acceptance of the document (e.g. ticket or receipt) without protest tantamount to a tacit acceptance of conditions.
- (A) True
 - (B) Partly true
 - (C) False
 - (D) None of the above
77. A sends a letter to B, offering to sell his old carriage. He asks B to reply by telegram. In such case, B shall reply,
- (A) in any mode
 - (B) only by telegram
 - (C) in any mode other than telegram
 - (D) in any reasonable mode
78. Under section 2(c) of the Indian Contract Act, promisee is the person –
- (A) who makes the proposal
 - (B) who accepts the proposal

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- (C) who makes the promise (D) to whom proposal is made
79. Who said "Acceptance is to proposal is what a lighted match-stick is to a train of gun-powder"?
- (A) Anson (B) Baumol (C) Salmond (D) Drucker
80. A passenger deposited a bag in the cloakroom at a railway station. The Acknowledgment Receipt given to him carried, on the face of it, the words "see back". One condition limited the liability of the Railways for any package to Rs.100. The bag was lost, and the passenger claimed Rs.2,400 being its value, leading that he had not read the conditions. Can the passenger win the case?
- (A) Yes, the Railway Company cannot take under advantage
(B) Yes, damages are payable for loss of property
(C) No, a suit for value below Rs.5,000 is not permissible in law
(D) No, the passenger had constructive notice of conditions whether he read them or not
81. A passenger was traveling with luggage from Dublin to Whitehaven on a ticket, on the back of which there was a term that exempted the shipping company from liability for loss of luggage. He never looked at the back of the ticket and there was nothing on the face of it to draw his attention to the terms on its back. He lost his luggage and sued for damages. Can the passenger win the case?
- (A) Yes, the Shipping Company cannot take undue advantage
(B) Yes, the passenger is not bound by something which was not communicated to him
(C) No, a suit for loss of luggage is not permissible in law
(D) No, the passenger had constructive notice of conditions whether he read them or not
82. An acceptance of telephone should be –
- (A) heard by the offeror (B) audible to the offeror
(C) understood by the offeror (D) all of the above
83. In which of the following situations, the acceptor is not bound by the special conditions?
- (A) Conditions limiting or defining his rights are not brought to the acceptor's notice
(B) The Document does not give reasonable notice on its face that it contains certain special conditions.
(C) Conditions are contained in a document that is delivered after the contract is complete
(D) All of the above
84. F offers to sell his house to G for Rs.20 lakhs. G replies that he would buy the house provided his solicitor approves of F's title to the house. The offer did not contain any mention as to title. The acceptance is –
- (A) Qualified, hence invalid (B) Conditional, hence invalid
(C) Valid (D) Both (A) and (B)
85. When the offeree gives acceptance on different terms, it is treated as a counter offer and it is up to the original offeror to accept the same or not.
- (A) True (B) Partly true (C) False (D) None of the above
86. According to the Indian Contract Act, 1872, a promise is –
- (A) A communication of intention to do something
(B) A proposal which has been accepted
(C) A gentleman's word to do something
(D) A statement on oath
87. A proposal can be revoked by –
- (A) Communication of notice of revocation by the offeror
(B) Failure of acceptor to fulfill a condition precedent

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- (C) Insanity or death of an offeror to the knowledge of the acceptor
(D) All of the above
88. F offered by a letter to buy his nephew N's horse for Rs.25,000, saying: "If I hear no more about it, I shall consider the horse is mine at Rs.25,000." The nephew did not reply, but he told an auctioneer who was selling his horse not to sell that particular horse as he has sold it to his uncle. By mistake, the auctioneer sold it. F sued the auctioneer for conversion. In this case—
(A) F can recover the amount from the Auctioneer
(B) There is no agreement between F and N, as the acceptance was not communicated to F
(C) F can claim the horse back from the successful bidder at the auction
(D) F can claim damages from N
89. General offers open to the world at large can be accepted by –
(A) Any person in the world
(B) Any person within the country
(C) Any person who complies with the condition of the offer
(D) Any person who reads the advertisement
90. In order to convert a proposal into a promise, the acceptance must be –
(A) absolute (B) unqualified (C) express/Implied (D) all of the above
91. In case of general offer, for a valid contract, the acceptor –
(A) Must have knowledge of the offer before acceptance by performance
(B) need not have the knowledge of the offer
(C) may acquire the knowledge of the offer after the performance of the condition amounting to acceptance
(D) should not accept at all
92. In cases of general offer to the public at large, notifying the acceptance to the proposer is necessary
(A) True (B) Partly true (C) False (D) None of the above
93. A specific offer can be accepted by –
(A) any person (B) any friend of offeror
(C) only the person to whom it is made (D) any friend of offeree
94. An acceptance containing additions, limitation or other modifications shall amount to –
(A) rejection of the offer (B) a counter offer
(C) a valid acceptance (D) both (A) and (B)
95. Express offers and acceptance may be proved by the agreement between the parties but implied offers can be proved only by –
(A) Words (B) Conduct (C) Circumstantial evidence (D) *Prima facie* evidence
96. Acceptance cannot be implied merely from the silence of the offeree, even if it is expressly stated in the offer itself. In such cases, mere silence cannot constitute acceptance.
(A) True (B) Partly true (C) False (D) None of the above
97. S offered a reward to anyone who returns his lost dog. F brought the dog to S without having heard of the offer. F is not entitled to the reward, since –
(A) Acceptance cannot precede the offer
(B) Offer was not made to an ascertained person
(C) S has to find the dog himself
(D) No reward can be given for return of a lost dog
99. Performance of conditions of an offer for the acceptance of any consideration for a reciprocal promise which may be offered with a proposal, is a/an –
(A) acceptance of the offer (B) rejection of the offer

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- (C) counter offer (D) revocation of the offer
100. An offer may be revoked at any time before the communication of its acceptance is complete, as against the _____, but not afterwards.
(A) Offeree (B) Proposer (C) Acceptor (D) Third Party
101. A general offer can be accepted by –
(A) sending a communication of acceptance
(B) tendering himself to comply the conditions of offer
(C) complying with the conditions of an offer
(D) making a counter offer
102. M offers to sell his car for Rs.3.8 Lakhs to N. N says, he would buy it for Rs.3.5 Lakhs. The counter offer by N for Rs.3.5 lakh –
(A) cannot be accepted by M (B) may be accepted by M
(C) is irrational (D) is illegal
103. T sends to S by post an offer to sell his cycle. S sends his acceptance via post. S could revoke his acceptance up to any time before or at the moment, when –
(A) S posts his letter of acceptance (B) T receives the letter of acceptance
(C) T reads the letter of acceptance (D) Earliest of the above
104. It has been said that "Acceptance is to a proposal what a lighted match-stic is to"
(A) A matchbox (B) A train of gun-powder
(C) A cigarette (D) a cotton storage yard
105. A sends a letter to B, offering to sell his house property. He asks B to reply by telegram. If B Accepts by registered letter, and A does not insist acceptance by telegram within a reasonable time, the contract is –
(A) invalid (B) valid (C) voidable (D) unenforceable
106. An acceptance is not according to the mode prescribed but the offeror decides to keep quiet. In such a case there is –
(A) a contract (B) no contract (C) a voidable contract (D) an unenforceable contract
107. Acceptance should be given within the time specified by the offeror
(A) True (B) Partly true (C) False (D) None of the above
108. Acceptance should be given within –
(A) the time specified by the offeror (B) a reasonable time
(C) such time as the offer lapses (D) all of the above
109. When there is a counter-offer, the original offeror may accept the terms of the counter-offer made by the offeree and form a valid contract
(A) True (B) Partly true (C) False (D) None of the above
110. A Tradesman receives an order from a customer and executes the order by sending goods. Sending of goods by the Tradesmen consequent to the customer's order constitutes –
(A) acceptance by conduct (B) invalid acceptance
(C) counter-offer (D) rejection of the original offer
111. Acceptance may be signified either –
(A) in writing (B) by word of mouth
(C) by performance of some act (D) all of the above
112. If a person performs some act intended by the proposer as consideration for the promise offered by him, the performance of such act constitutes –
(A) an invalid acceptance (B) a valid acceptance
(C) rejection of the offer (D) a counter-offer
113. Acceptance should be communicated to the offeror, before –
(A) the offer lapses (B) the offer terminates
(C) the offer is revoked by the offeror (D) All of the above
114. Where a letter of acceptance sent by post is lost in transit there is –

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- (A) no contract as the acceptance has not come to the knowledge of the offeror
(B) is 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
115. Even if the letter is lost in transit, acceptance is still valid provided that the acceptor has –
(A) Properly addressed it to the offeror
(B) affixed correct value of the postage stamps
(C) infacted post it at the post office
(D) all of the above
116. Communication of acceptance is complete as against the proposer –
(A) 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
117. An acceptance can be revoked after its acceptance comes to the knowledge of the promise
(A) True (B) Partly true (C) False (D) None of the above
118. H, in response to G's offer, sends a letter of acceptance by post. As regards G, communication is complete, when –
(A) G makes the offer (B) H decides to accept the offer
(C) The letter is posted by H (D) G receives the letter
119. An acceptance can be revoked at any time before such acceptance comes to the knowledge of the –
(A) Proposer (B) Acceptor (C) Third Party (D) Court
120. A letter of acceptance sufficiently stamped and duly addressed is put into course of transmission. Here, there is –
(A) a contract voidable at the option of acceptor
(B) a contract voidable at the option of the offeror
(C) no contract at all
(D) a valid contract
121. An acceptance can be revoked at any time before such acceptance –
(A) is understood by the proposer
(B) comes to the knowledge of the acceptor
(C) comes to the knowledge of the proposer
(D) is understood by the acceptor
122. When no mode is prescribed by the offeror for the acceptance of his offer, such acceptance shall be made-
(A) as decided by the court
(B) as desired by the offeree
(C) in some usual and reasonable manner
(D) any of the above
123. B owes A Rs.20,000. A desires B to pay the amount to A's account with SBI banker. B, who also banks with SBI, orders the amount to be transferred from the account to A's credit and this is done by SBI. Afterwards, and before A knows of the transfer, SBI fails. Who shall bear the loss?
(A) A (B) B (C) A and B equally (D) None of the above
124. A agrees to pay Rs.15 lakh to B, if he (B) procures an employment for A in the Income Tax Department. This agreement is –
(A) Void (B) valid (C) voidable (D) contingent
125. A agrees to pay Rs.15,00,000 to B, if he kills C. This agreement is –
(A) Void (B) valid (C) voidable (D) contingent

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126. A agrees to sell to B, 200 tons of oil. A deals only in coconut oil. This agreement is –
(A) valid (B) void due to uncertainty of meaning
(C) illegal (D) opposed to public policy
127. Z agrees with Y to sell all his grain in his granary at Ropar for Rs.50,000. The agreement is –
(A) valid (B) void due to uncertainty of meaning
(C) illegal (D) opposed to public policy
128. F agrees to sell his produce to G, provided H shall come, inspect and fix the price. The agreement is –
(A) valid (B) void due to uncertainty of meaning
(C) illegal (D) unenforceable
129. A clause in a Tender authorizing the party inviting tenders to terminate the contract at any time for future supplies –
(A) destroys the very basis of the contracts and the clause is void
(B) Makes the entire contract void
(C) Makes the contract voidable
(D) does not destroy the basis of the contract and the clause is valid
130. Persons entering into contracts on special terms are deemed to have impliedly accepted those terms only if such special terms are –
(A) reasonably communicated to them (B) non-restrictive in nature
(C) legal (D) enforceable
131. A transport carrier accepted goods for transport without any conditions. Subsequently, he issued a circular to the owners of goods limiting his liability for goods. Is this circular binding on the owners of goods?
(A) No, these were not communicated prior to the date of contract for transport
(B) No, a carrier cannot restrict/limit his own liability
(C) Yes, a reasonable notice to the acceptor is sufficient
(D) Yes, a carrier can restrict/limit his own liability
132. A writes to B, 'I am willing to sell my car as it is today for Rs.40,000'. B replies, 'I can buy it for Rs.35,000'. A keeps quiet. Subsequently, B writes, 'I will buy the car at Rs.40,000'. Is it binding promise?
(A) Yes (B) No
133. 'X agrees to sell to Y 100 tons of oil'. If X, who is a dealer in coconut oil only, decides to sell @Rs.10,000 per ton'. Decide, whether it is –
(A) Valid contract (B) Void contract (C) Voidable contract (D) Uncertain Contract
134. In Q.171 above, If X is a dealer in coconut oil and price is not fixed –
(A) Valid contract (B) Void contract (C) Voidable contract (D) Uncertain Contract
135. In Q. 171 above, If X is a dealer in coconut oil and price is to be fixed by Z –
(A) Valid contract (B) Void contract (C) Voidable contract (D) Uncertain Contract
136. In Q. 171 above, If X who, is a dealer in coconut oil agrees to sell at Rs.10,000 per ton or at Rs.1,000 per ton –
(A) Valid contract (B) Void contract (C) Voidable contract (D) Uncertain Contract
137. In Q.171 above, If X is a dealer in coconut oil and mustered oil –
(A) Valid contract (B) Void contract (C) Voidable contract (D) Uncertain Contract