

Discharge of contract

1. A contract is discharged by breach when a party to a contract
  - a. refuses to perform his promise
  - b. fails to perform his promise
  - c. disables himself from performing his part of the promise
  - d. all of the above
2. 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
3. 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
4. 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)
5. Breach of a contract may be
  - a. Actual Breach
  - b. Anticipatory Breach
  - c. Either (a) or (b)
  - d. Neither (a) nor (b)
6. Which of the following is correct?
  - a. Performance of contract means contract becomes void
  - b. Cancellation of contract cannot discharge a contract
  - c. Alteration with the consent of party discharges the contract
  - d. None of the above
7. 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
8. 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
9. 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
10. A contract is not considered void by commercial impossibility.
  - a. True
  - b. Partly True
  - c. False
  - d. None of the above
11. 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
12. 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
13. 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

14. A entered into a contract with B for supply of 100 bicycles manufactured by C. C did not manufacture it. In this case
- A is not discharged
  - A is discharged
  - Contract becomes void
  - Contract becomes voidable
15. 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
- is valid
  - is void ab initio
  - becomes void
  - is voidable at A's option
16. When a contract becomes void, any benefit received under such contract is bound ..... to the person from whom he received it.
- to restore such benefit
  - to make compensation for such benefit
  - either (a) or (b)
  - neither (a) nor (b)
17. Which of the following is correct?
- Novation means making a new contract in place of an old contract
  - Alteration means making a new contract in place of an existing one
  - Performance of contract is not a method of discharge of contract
  - All of the above
18. If the subject matter of a contract is destroyed after formation of the contract, without fault of either party, the contract
- is rendered voidable
  - becomes void
  - continues to be valid
  - becomes unlawful
19. If the subject matter of a contract is destroyed after formation of the contract, without fault of either party, the contract is
- voidable
  - discharged
  - not discharged
  - unlawful
20. 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
- impossibility of performance
  - illegality of object
  - unlawful consideration
  - All of the above
21. When the contract is made for several purposes, failure of one of them
- terminates the entire contract
  - does not terminate the entire contract
  - makes the contract unlawful
  - renders the object illegal
22. A agreed to supply certain goods to B. As a result of an increase in raw material costs, it is no longer profitable for A to supply them at the agreed rate. In this case
- Contract becomes void
  - Contract is discharged
  - A cannot be excused for non-performance
  - A can be excused for non-performance
23. Which of the following is incorrect?
- Contracts are discharged by lapse of time
  - Discharge of a party and discharge of contracts are same and one thing
  - Cancellation of contract discharges the contract
  - All of the above
24. Where performance has become more difficult than estimated at the time of entering into contract, the contract
- is not discharged
  - is discharged
  - becomes void
  - becomes voidable
25. .... indicates that the parties are not further bound under the contract,
- Waiver of a Contract
  - Breach of a Contract
  - Rescission of a Contract
  - Discharge of a Contract
26. When a contract ceases to bind the parties to it, it is said to be
- Discharged
  - Performed
  - Obliged
  - Rescinded

27. In which of the ways can a contract be discharged?
- By performance
  - By operation of law
  - By lapse of Time
  - All of the above
28. In which of the ways can a contract be discharged?
- By Performance
  - By Operation of law
  - By Mutual Agreement
  - All of the above
29. An obligation under a contract stands discharged by
- dispensing with the performance
  - impossibility of performance
  - death of the party and contract is personal in nature
  - All of the above
30. Which of the following is incorrect?
- Performance of contract and discharge of contract have the same effects
  - Commercial impossibility is not impossibility
  - Commercial impossibility does not make the contract void
  - Cancellation of a contract by mutual consent of both parties is called waiver
31. A contract stands discharged
- By performance of the contract
  - By breach of the contract
  - By agreement
  - All of the above
32. A contract can be discharged by performance in which of the following ways?
- Actual performance
  - By valid tender
  - Either (a) or (b)
  - Both (a) and (b)
33. 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
- Waiver
  - Breach of a Contract
  - Attempted performance of contract
  - Actual performance of a Contract
34. Which of the following is correct?
- Anticipatory breach of contract takes place after due date of performance
  - In case of anticipatory breach of contract, contract may be kept alive
  - In case of actual breach of contract, the contract becomes void if the time is the essence of the contract
  - There is no consideration in Novation of contract
35. In which of the ways can a contract be discharged by operation of law?
- Death of Promisor
  - Insolvency of Promisor
  - Merger of Right
  - All of the above
36. In which of the ways can a contract be discharged by operation of law?
- Unauthorized material alteration contract
  - Vesting of right and liabilities in the same person
  - Neither (a) nor (b)
  - Both (a) and (b)
37. In case of contracts involving personal skill or expertise of the Promisor, death of the Promisor leads to
- Discharge of a Contract
  - Breach of a Contract
  - Rescission of a Contract
  - Waiver of a Contract
38. A promises to perform a dance in B's theatre. A dies. The contract is
- Void
  - Discharged
  - Rescinded
  - Voidable
39. 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
40. When person is declared insolvent, he is .....
- all his contractual liabilities incurred prior to date of insolvency order.
  - penalized for
  - responsible for

- c. discharged from  
d. both (a) and (c)
41. A took a house on rent from B. during tenancy, A purchases that house. The earlier contract of tenancy is
- Void
  - Discharged
  - Rescinded
  - Voidable
42. 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
43. 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
44. 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
45. The alteration of a contract means alteration in the ..... of an existing contract.
- parties
  - time
  - parties and terms
  - terms
46. 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)
47. 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)
48. In which of the ways can a contract be discharged by breach?
- Anticipatory Breach
  - Actual Breach
  - Either (a) or (b)
  - Neither (a) nor (b)
49. In which of the ways can a contract be discharged by agreement between parties?
- Novation
  - Rescission
  - Alteration
  - All of the above
50. In which of the ways can a contract be discharged by agreement between parties?
- Novation
  - Merger
  - Remission
  - All of the above
51. In which of the ways can a contract be discharged by agreement between parties?
- Remission
  - Waiver
  - Either (a) or (b)
  - Neither (a) nor (b)
52. The original contract need not be performed if there is
- rescission of contract
  - novation of contract
  - alteration of contract
  - All of the above
53. If a new contract is substituted in place of an existing contract, it is called
- Alteration
  - Rescission
  - Novation
  - Waiver
54. For a valid novation, new contract must be made
- before making of the original contract

- b. during the continuance of the original contract
- c. after the conclusion of the original contract
- d. all of the above
55. Novation may take place between
- a. the same parties
- b. different parties
- c. either (a) or (b)
- d. neither (a) nor (b)
56. Alteration may take place between
- a. the same parties
- b. different parties
- c. either (a) or (b)
- d. neither (a) nor (b)
57. Remission may take place between
- a. the same parties
- b. different parties
- c. either (a) or (b)
- d. neither (a) nor (b)
58. Waiver may take place between
- a. the same parties
- b. different parties
- c. either (a) or (b)
- d. neither (a) nor (b)
59. In discharge of contract by Novation, the consideration for the new contract is
- a. the discharge of the old contract
- b. separately supplied
- c. decided by the parties
- d. all of the above
60. For discharge of a contract by Novation, consent of ..... is required
- a. Promisee only
- b. all the parties
- c. at least two of the parties
- d. Promisor only
61. Rescission of a contract means
- a. termination of contract
- b. the renewal contract
- c. alteration of contract
- d. substitution of new contract in place of earlier one
62. Rescission may occur
- a. by mutual agreement
- b. where one party fails to perform his part of the promise
- c. either (a) or (b)
- d. neither (a) nor (b)
63. Where a party under a voidable contract, decides to rescind the same, the other party is
- a. guilty of breach of contract
- b. discharged from his promise
- c. entitled for damages
- d. All of the above
64. Rescission of a voidable contract shall be communicated or revoked in the same manner as the communication or revocation of
- a. Breach
- b. Acceptance
- c. Proposal
- d. Impossibility
65. Mr. A contracts with Mr. 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
- a. Mutual decision
- b. A's failure to perform
- c. Impossibility of performance
- d. Revocation of proposal
66. A contracts with B to deliver goods to B on 10th July. A fails to deliver goods on 10th July. It is said
- a. Anticipatory Breach of contract
- b. Actual Breach of contract
- c. Novation of contract
- d. Revocation of proposal
67. A, Hindu, who was already married, contracts to marry B, a Hindu girl. The contract is void on the ground of
- a. Initial impossibility
- b. Supervenient impossibility
- c. Social impossibility
- d. No consideration
68. When the parties mutually agree to change certain terms of contract. This is called
- a. rescission of contract
- b. novation of contract
- c. alteration of contract
- d. remission of contract
69. In case of alteration, there is a change in the parties and new parties may be included.
- a. True

- b. Partly True
  - c. False
  - d. None of the above
70. If a person accepts a lesser sum of money than what was contracted for in discharge of the whole debt, it is known as
- a. Waiver
  - b. Remission
  - c. Alteration
  - d. Rescission
71. Remission is the acceptance of
- a. a lesser sum than what was contracted for
  - b. a lesser fulfillment of the Promise made
  - c. either (a) or (b)
  - d. Neither (a) nor (b)
72. Under remission, a Promisee may
- a. remit the whole or part of the performance of a promise
  - b. extend time of performance
  - c. accept any other satisfaction instead of performance
  - d. All of the above
73. 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
- a. remission
  - b. extension time of performance
  - c. Novation
  - d. All of the above
74. Abandonment of a right under the contract is called
- a. Waiver
  - b. Breach
  - c. Rescission
  - d. Alteration
75. Intentional relinquishment of a right under the contract is called
- a. Waiver
  - b. Breach
  - c. Rescission
  - d. Alteration
76. Giving up of right under the contract is called
- a. Waiver
  - b. Breach
- c. Rescission
  - d. Alteration
- c. Rescission
- d. Alteration
77. No consideration is necessary for a waiver.
- a. True
  - b. Partly True
  - c. False
  - d. None of the above
78. In case of Novation, there is
- a. change to some of the terms and conditions of the original Contract
  - b. substitution of an existing contract with new one
  - c. either (a) or (b)
  - d. neither (a) nor (b)
79. In case of Alteration, there is
- a. change to some of the terms and conditions of the original contract
  - b. substitution of an existing contract with new one
  - c. either (a) or (b)
  - d. neither (a) nor (b)
80. Novation can be made by
- a. change in the terms of the contract
  - b. change in the contracting Parties
  - c. either (a) or (b)
  - d. neither (a) nor (b)
81. Alteration can be made by
- a. change in the terms of the contract
  - b. change in the contracting Parties
  - c. either (a) or (b)
  - d. neither (a) nor (b)
82. In case of Alteration
- a. Old terms and conditions need not be performed
  - b. New terms and conditions must be performed
  - c. Both (a) and (b)
  - d. neither (a) nor (b)
83. Where one party to a contract fails or refuses to do his part of the promises it is called
- a. Breach of contract
  - b. Cancellation of contract
  - c. Either (a) or (b)
  - d. Neither (a) nor (b)
84. Actual Breach may take place
- a. Expressly
  - b. Impliedly

- c. Either (a) or (b)  
 d. Neither (a) nor (b)
85. Actual Breach may take place  
 a. on the due date of performance  
 b. during the course of performance  
 c. neither (a) or (b)  
 d. either (a) or (b)
86. Where one party to a contract declares his intention of not performing the contract before the performance is due, it is called  
 a. Actual Breach  
 b. Anticipatory Breach  
 c. Either (a) or (b)  
 d. Neither (a) nor (b)
87. Anticipatory Breach may take place  
 a. Expressly  
 b. Impliedly  
 c. Either (a) nor (b)  
 d. Neither (a) nor (b)
88. Anticipatory Breach may take place when a party  
 a. Refuses to perform his promise Under the contract  
 b. Deliberately disables himself from performing the promise before due date of performance  
 c. Neither (a) or (b)  
 d. Either (a) nor (b)
89. 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
90. 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
91. 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
92. 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
93. 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)
94. 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
95. 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
96. 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)
97. 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
98. 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
99. 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
100. 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
101. In ..... contracting parties may not remain same.
- a. Remission
  - b. Recession
  - c. Novation
  - d. Alteration