

Part: - 1 The Indian Contract

Act, 1872

Chapter 5:- Free Consent

Multiple choice questions:-

5.1 FREE CONSENT AND ELEMENTS WHICH AFFECT THE CONSENT

1. The term 'consent' is defined in

- (a) Section 12
- (b) Section 13
- (c) Section 14
- (d) Section 15

2. The term 'free consent' is defined in

- (a) Section 12
- (b) Section 13
- (c) Section 14
- (d) Section 15

3. Two or more persons are said to consent when they agree upon the

- (a) Same thing in the same sense
- (b) Same thing in the different sense
- (c) Different thing in the different sense
- (d) Different thing in the same sense

4. The 'consent' means that the parties should have identity of mind i.e. they should agree the same thing in the same sense. Under English Law it is called

- (a) Error in consensus
- (b) Error in causa
- (c) Consensus ad idem
- (d) None of these.

5. A had two scooters, one green and the other white and offered to sell his green scooter to B for Rs. 10000. B accepted the offer believing it to be 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 on cause
- (d) Both (a) and (b)

6. The cases of 'no consent' i.e. when there is no consent at all, are described by Salmond as

- (a) Error in cause
- (b) Error in consensus
- (c) Consensus ad idem
- (d) None of these

7. Error in consensus is the complete absence of consent and prevents the existence of following essential element of a contract

- (a) Competence of parties
- (b) Consideration
- (c) Consensus ad idem
- (d) Offer and acceptance.

8. In case there is error in consensus the agreement is _____

- (a) void
- (b) valid
- (c) Voidable
- (d) unlawful

9. In case of 'no free consent' i.e. when the consent is there but the same is not free are described by Salmond as

- (a) Error in causa
- (b) error in consensus
- (c) Consensus ad idem
- (d) none of these

10. In case there is error in causa i.e. when the consent of parity is not free the contract is _____.

- (a) void (b) valid
(c) Voidable (d) unlawful

11. The consent of a party is not free when it is caused by _____.

- (a) Coercion (b) undue influence
(c) Misrepresentation (d) all of these

12. The consent of a party is not free when it is caused by _____.

- (a) Fraud (b) mistake
(c) Both of these (d) none of these

13. Which of the following elements do not affect the free consent of the parties?

- (a) Coercion (b) fraud
(c) Incompetency (d) mistake

14. In cases where consent is obtained by any of the four elements namely, coercion, undue influence, fraud or misrepresentation the contract is

- (a) void (b) voidable
(c) Valid (d) illegal

15. In cases where both the parties to an agreement are under a mistake as to the fact essential to the agreement the agreement is

- (A) void (b) voidable
(c) Valid (d) illegal

16. 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 contract

(c) Where there is error as to the subject –matter of the contract

(d) all of the above

17. The effect of 'no free consent' and 'no consent at all' is the same on the validity of a contract as in both the case the contract is voidable.

(a) True, as all the elements affecting consent renders the contract voidable

(b) False as 'no consent at all' covers the case of mistake of both the parties as to the fact essential to the contract which makes the contract void ab initio

5.2 COERCION: ESENTIAL ELELMENTS AND EFFECT

1. The term 'coercion' is defined in

- (A) section 15 (b) section 16
(c) Section 17 (d) sections 18

2. Committing any act forbidden by the Indian Penal Code (i.e. committing an offence) with the intention of obtaining the consent to a contract amounts to

- (a) Fraud
(b) Misrepresentation
(c) Coercion
(d) Undue influence

3. Threat to commit any act forbidden by the Indian Penal Code in order to obtain consent to a contract amounts to

- (a) Mistake
(b) Misrepresentation
(c) Coercion
(d) Undue influence

4. The unlawful detention of any property of a person in order to obtain his consent to a contract amounts to

- (a) Undue influence (b) coercion
(c) Misrepresentation (d) fraud

5. Threatening to detain any property of a person in order to obtain his consent to a contract amounts to

- (a) Undue influence (b) mistake
(c) Misrepresentation (d) coercion

6. A threatens to kill B of if he does not sell his scooter to him for Rs. 1000 only. Here B's consent is obtained by

- (a) Undue influence (b) coercion
(c) Fraud (d) none of these

7. Consent is not caused by coercion if it is obtained by

- (a) Committing any set forbidden by Indian Penal Code (IPC)
(b) Committing an act forbidden by IPC at a place where the IPC is not in force.
(c) Threat to file a civil suit
(d) Unlawful detaining of any property.

8. Committing or threatening to commit any act forbidden by IPC or 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

9. 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 any person even by a stranger

(d) Must be initiated by both the party as well as the stranger

10. The threatening act amounting to coercion

- (a) Must be directed against the party to contract
(b) Must be directed against stranger only
(c) Must be directed against both the party and the stranger
(d) May be directed against the party or against any person who is not a party.

11. A threatens to kill B's son unless he signs a promissory note for Rs. 500000 in A's favour.

Under threat to B's son B signs the promissory note. In this case B's case consent is obtained by

- (a) Undue influence
(b) Coercion
(c) Fraudulent act
(d) None of these

12. Consent obtained by a threat to commit suicide amounts to coercion

- (a) True as threat to commit suicide is forbidden by Indian Penal Code.
(b) False as threat to commit suicide is not punishable by the Indian Penal Code

13. When the consent of a party is obtained by coercion by coercion the contract is _____

- (a) Valid (b) void
(c) Voidable (d) illegal

14. When the consent of a party is obtained by coercion the contract is voidable at the option of

- (a) Either party to the contract
(b) A party whose consent was so obtained
(c) A party who obtained the consent

4. Undue influence is kind of

- (a) Mental coercion
- (b) Physical coercion
- (c) Both of these
- (d) none of these

5. 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 superior position to obtain an unfair advantage over the weaker party.
- (c) the dominant party must obtain an unfair advantage over the weaker 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.

6. the domination of will is an essential requirement of _____

- (a) Coercion
- (b) Undue influence
- (c) Fraud
- (d) Misrepresentation

7. 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) Stands in fiduciary relation to the other
- (d) all of these

8. The fiduciary relationship

- (a) Trust and confidence
- (b) Senior and junior
- (c) None of these
- (D) Both of these

9. The fiduciary relationship

- (a) Is considered coercive
- (b) Raises the presumption of undue influence
- (c) Does not raise the presumption of undue influence
- (d) Raises the presumption of fraud being employed.

10. Which of the following relations fall in the category of 'fiduciary relations' and usually the presumption of undue influence?

- (a) Solicitor and client
- (b) doctor and patient
- (c) Spiritual adviser and devotee
- (d) all of these

11. Which of the following relations do not fall in the category of fiduciary relationship and thus do 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

12. A contract with a person who is in mental distress raises the presumption of

- (a) Domination of will
- (b) Undue influence
- (c) Both of these
- (d) None of these

13. Contracts with a pardansahin woman raise the presumption of

- (a) Domination of will
- (b) undue influence
- (c) Both of these
- (d) none of these

14. When the consent of a party is obtained by undue influence the contract is _____.

- (a) Valid (b) void (c) voidable (d) illegal

15. When the consent of a party is obtained by undue influence the contract is voidable at the option of

- (a) Either party to the contract
(b) A party whose consent was so obtained
(c) A party who obtained the consent
(d) Court which has to decide the case

16. A contract induced by undue influence is voidable at the option at the party whose consent is obtained by undue influence. It means that such party

- (a) May put an end to the contract if he so chooses
(b) Must put an end to the contract
(c) Must put an end to the contract and remake it on new terms
(d) Must enforce the contract and claim of damages for undue influence

17. 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 prove that other party's consent was not obtained by undue influence
(b) Weaker party to prove that his consent was obtained by undue influence
(c) Court to prove the undue influence
(d) None of these

18. Where the weaker party challenged the contract on the ground of undue influence he has to prove that the superior party

- (a) was in a position to dominate his will

(b) actually used his influence to obtain his consent

(c) Both (a) and (b)

(D) only (a) as the second is presumed to be proved

19. In those cases where is presumption of undue influence the burden of proof is shifted from the weaker party to the stronger party.

(a) True as in such a case stronger party has to prove that the consent of weaker party was not induced by undue influence.

(b) False as the burden of proof is always upon the weaker party.

5.4 FRAUD: ESSENTIAL ELEMENTS AND EFFECTS

1. The term 'fraud' is defined in _____.

- (a) Section 15 (b) section 16
(c) Section 17 (d) section 18

2. Acts which constitute fraud have been specified in _____.

- (a) Section 15 (b) section 16
(c) Section 17 (d) section 18

3. The important case Derry v. Peek (1889) 14 App. Cas.337, deals with

- (a) Coercion
(b) Undue influence
(c) Misrepresentation
(d) Fraud

4. In Derry v. 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 fals

unsoundness. In this case A has obtained B's consent by

- (a) Fraud
- (b) Misrepresentation
- (c) Undue influence
- (d) None of these

14. Mere silence as to the facts likely to affect the willingness of a person to enter into a contract is

- (a) Fraud
- (b) no fraud
- (c) Unlawful
- (d) punishable

15. 'Mere silence is not fraud'. This general rule is provided in

- (a) Section 17, Explanation
- (b) section 18, Explanation
- (c) Section 19, Explanation
- (d) judicial decisions

16. The active concealment of facts by a party having knowledge or belief of the fact amounts to _____.

- (a) Fraud
- (b) Misrepresentation
- (c) Unintentional misrepresentation
- (d) none of decisions

17. A, a horse dealer, sold a horse to B. A knew that the horse had a cracker hoof which he filled up in such a way as to prevent its detection. In this case B's consent was obtained by

- (a) Misrepresentation
- (b) false statement of facts
- (c) Unintentional representation
- (d) active concealment of facts

18. There is no exception to the general rule that a mere silence is not fraud

(a) True, as it is the absolute rule provided in section 17, explanation

(b) False as two exceptions have been provided in section 17 explanation itself

19. Silence amounts to fraud where

- (a) There is duty to speak
- (b) Silence is equivalent to speech
- (c) A person discloses half truth only
- (d) all of the above cases

20. When the consent of a party is obtained by fraud the contract is _____

- (a) void
- (b) voidable
- (c) Valid
- (d) unlawful

21. When the consent of a party is obtained by fraud the contract is voidable at the option of

- (a) A party whose consent was so obtained
- (b) a party who obtained the consent
- (c) Either party to the contract
- (d) court which has to decide the case

22. A contract induced by fraud is voidable at the option of the party whose consent is obtained by fraud. It means that such a party.

- (a) Must put an end to the contract
- (b) Must cancel the old contract and make a fresh one on new terms
- (c) Must enforce the contract and claim damages for fraud
- (d) May put an end to the contract if he so chooses.

23. 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

24. Where a party commits a fraud but fraud does not induce the other party to enter into the contract the contract is

- (a) Voidable (b) not voidable
- (c) Void (d) void ab intino

25. The aggrieved party i.e. the party whose consent was obtained by fraud may

- (a) Rescind (i.e. revoke) the contract only
- (b) affirm (i.e. accept) the contract only
- (c) Rescind or affirm the contract
- (d) none of these

26. Which of the following remedies is available to a party whose consent was obtained by fraud?

- (a) Right to rescind the contract
- (b) right to affirm the contract
- (c) Both of these
- (d) none of these

27. Where the consent of a party is obtained by fraud which of the following statements is incorrect?

- (a) The aggrieved party can exercise his option either to rescind the contract or affirm it only once
- (b) Once the option is exercised by the aggrieved party he cannot change his stand
- (c) After exercising the option only one more opportunity is available to the aggrieved party to change the option
- (d) once the option is exercised both the parties are bound by the contract

28. The aggrieved party's right to rescind the contract is lost if

- (a) He does not rescind the contract within a reasonable time
- (b) He expressly or impliedly affirms the contract
- (c) The third party in good faith acquires right in the subject-matter.
- (d) In all the above cases right of rescission is lost

29. A, fraudulently sold his car to B. Afterwards , B came to know 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 these

5.5 MISREPRESENTAION: ESSENTIAL ELEMENTS AND EFFECTS

1. The term 'misrepresentation' is defined in

- _____
- (a) Section 15 (b) section 16
 - (c) section 17 (d) section 18

2. Misrepresentation refers to the false statement of facts made by a party

- (a) Without any intention to deceive
- (b) with the intention to deceive
- (c) Knowingly and without belief in its truth
- (d) recklessly careless whether it be true or false

3. The important element which distinguishes misrepresentation from fraud is that the it to be so though he believes it to be true there is

- (a) Intentional statement
- (b) innocent statement
- (c) Important statement
- (d) irrelevant statement

4. When a person positively asserts that a fact is true when his information does not warrant it to be so though he believes it to be true there is

- (a) Undue influence
- (b) misrepresentation
- (c) Unwarranted statement
- (d) fraud

5. Misrepresentation is an innocent (i.e. unintentional) misstatement of facts and its includes

- (a) a positive false statement made without any basis for information
- (b) A breach of duty which brings advantage to the person committing it
- (c) Inducement of mistake about subject-matter
- (d) All the above acts

6. A told B that one C would be the director of a company. A believed this information to be true, but he had obtained it not directly from C but from another person D. the information proved to be false. In this case A's statement falls in the category of

- (a) Positive unwarranted statement
- (b) misrepresentation
- (c) Fraudulent statement
- (d) both (a) and (b)

7. Any breach of duty which without any intent to deceive gains an advantage to the person committing it by misleading another to his prejudice falls in the category of

- (a) Fraud
- (b) misrepresentation
- (c) Undue influence
- (d) none of these

8. In the negotiations for a marriage contract the relative 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) undue influence
- (c) Undue influence
- (d) none of these

9. A false statement of facts made without any intention to deceived the other party falls under the category of

- (a) Fraud
- (b) undue
- (c) coercion
- (d) misrepresentation

10. When the consent of party is obtained by misrepresentation the contract is

- (a) Void
- (b) voidable
- (c) valid
- (d) unlawful

11. When the consent of a party is obtained by misrepresentation the contract is voidable at the option of

- (a) A party whose consent was so obtained
- (b) A party who obtained the consent
- (c) Either party to the contract
- (d) Court which has to decide the case

12. A contract induced by misrepresentation is voidable at the option of aggrieved party. It means that such a party

- (a) Must rescind (i.e. cancel) the contact
- (b) Must cancel the contract and make a fresh one on new terms
- (c) Must enforce the contract and claim damages
- (d) May put an end to the contract if he so chooses

13. In case of misrepresentation where the other party had the means of discovering the truth with ordinary diligence the contract is

- (a) Void (b) voidable
(c) not voidable (d) conditional

14. Where the misrepresentation does not induce the other party to enter into contract the contract is

- (a) Voidable (b) not voidable
(c) void (d) void ab initio

15. The arrived party i.e. the party whose consent was obtained by misrepresentation may

- (a) Rescind (i.e. revoke) the contract only
(b) affirm (i.e. accept) the contract only

16. Which of the following remedies is available to a party whose consent was obtained by misrepresentation?

- (a) Right to rescind the contract
(b) right to affirm the contract
(c) Both of these
(d) none of these

17. Which of the following statements is incorrect?

- (a) In case of fraud or misrepresentation aggrieved party can either rescind the contract or affirm the contract
(b) A party who affirms the contract can also change his option after wards if he so decides.
(c) A contract is not voidable if fraud or misrepresentation does not induce the other party to enter into a contract.
(d) A party cannot complain of fraudulent silence or misrepresentation if he had the means of discovering the truth with ordinary diligence.

18. The aggrieved party can rescind the contract on account of fraud. Can he also claim damages from the other party?

- (a) Yes (b) no

19. The aggrieved party can rescind the contract on account of misrepresentation. Can he also claim damages from the other party?

- (a) Yes (b) no

20. Which of the following elements make the contract voidable?

- (i) Fraud
(ii) coercion
(iii) Misrepresentation
(iv)
(a) (i),(ii),(iii) (b) (ii),(iii),(iv)
(c) (i),(ii),(iv) (d) (i),(iii),(iv)

5.6. MISTAKE: TYPES, ESSTIALS AND EFFECTS

1. Where both the parties to an agreement are under a mistake about the essential facts, it is called

- (a) unilateral
(b) bilateral mistake
(c) Common mistake
(d) mistake of law

2. Where only one party to an agreement is under a mistake about the essential fact it is called a

- (a) Unilateral
(b) bilateral mistake
(c) Common mistake
(d) mutual mistake

3. A bilateral mistake of essential facts renders the agreement

- (a) Void
(c) voidable

- (b) valid
(d) illegal

4. Where the consent of both the parties is given under mistake the agreement

- (a) Void
(c) voidable
- (b) valid
(d) illegal

5. As per section 20 where the parties to an agreement are under a mistake as to a matter of fact essential to the agreement the agreement is

- (a) Void
(c) voidable
- (b) valid
(d) illegal

6. An agreement for the sale and purchase of a horse which unknown to both the parties was dead at the time of bargain is

- (a) Void
(c) voidable
- (b) valid
(d) illegal

7. 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 these
(d) none of these

8. A contract for hiring a car for attending a coronation ceremony which unknown to both the parties has already been cancelled is

- (a) Voidable
(c) Conditional
- (b) valid
(d) void

9. An agreement for the sale of a truck existing at the time of bargain which was destroyed in an accident subsequent to the bargain is void under

- (a) Section 20
(c) Section 50

- (b) section 22
(d) section 56

10. Generally a unilateral mistake of essential facts

- (a) Renders the agreement void
(b) Does not render the agreement void
(c) Renders the agreement illegal
(d) is considered a mistake of law

11. As per section 22 merely because the contract was caused by one of the parties to it being under a mistake as to the matter of fact the contract is not

- (a) Void
(c) Voidable
- (b) valid
(d) illegal

12. A contract is void on account of bilateral mistake of essential fact but if there is mistake of only one party then the contract is

- (a) Void
(c) Voidable
- (b) valid
(d) illegal

13. "In certain cases unilateral mistake also renders the agreement void".

- (a) True where the unilateral mistake has the effect of defeating the true consent of parties.
(b) False as in all cases a unilateral mistake does not affect the validity of an agreement

14. A agreed to buy horse form B. At the time of bargain the horse was dead though neither party was aware of this fact. In this case the agreement is

- (a) void
(c) Voidable
- (b) valid
(d) illegal

15. When both the parties to an agreement are under mistake about the esistence of subject-matter the agreement is

(a) Not void

(b) void

(c) Voidable

(d) illegal

16. When both the parties to an agreement have different subject-matter in mind the agreement is

(a) Not void

(b) void

(c) Voidable

(d) illegal

17. in case of bilateral mistake about essential facts there is complete absence of consent which is described by Salmond as

(a) Consensus ad idem

(b) Error in cause

(c) Error in consensus

(d) None of these

18. The complete absence of consent renders the agreement void because in such cases there is no

(a) Consensus ad idem

(b) Error in cause

(c) Error in consensus

(d) None of these

19. Which of the following bilateral mistakes of fact does not render the agreement as void?

(a) Mistake about title of subject-matter

(b) Mistake about quality of subject-matter

(c) Mistake about quantity of subject-matter

(d) Mistake about a fact not essential to agreement

20. Which of the following bilateral mistakes are about the fact essential to the agreement and thus render the agreement as void?

(a) Mistake about substance of subject-matter

(b) Mistake about price of the subject-matter

(c) Both (a) and (b)

(d) None of these two

21. Where an agreement is impossible to perform but the fact of impossibility is unknown to both the parties the agreement is

(a) Void

(b) voidable

(c) Illegal

(d) valid

22. Where an agreement is impossible to perform but the fact of impossibility is known to both the parties the agreement is

(a) Void

(b) voidable

(c) Illegal

(d) valid

23." An agreement to do an impossible act in itself, is void."

(a) True as section 56 makes specific provision in this regard

(b) False as section 56 also provides certain exceptions to this rule

24. The effect of bilateral mistake of fact is that it renders the agreement void. It is provided

(a) Section 19

(b) section 20

(c) Section 21

(d) sections 22

25. Generally a unilateral mistake as to the matter of fact does not affect the validity of the contract under a mistake as to the matter of fact the contract is

(a) True as section 22 makes specific provision in this regard

(b) False as such contracts are void under section 22

26. As per section 22 merely because a contract was caused by one of the parties to it being under a mistake as to the matter of fact the contract is

(a) Not valid

(b) not void

(c) Not voidable

(d) unlawful

27. A unilateral mistake of fact affects the validity of the contract if the unilateral mistake even in cases of unilateral mistake?

- (a) is about some fact essential to the contract
- (b) Has the effect of defeating the true consent of the parties
- (c) Both (a) and (b)
- (d) None of these

28. Which of the following is considered as an essential fact that affects the validity of a contract even in cases of unilateral mistake?

- (a) Identity of the parties to an agreement (b) nature of the agreement
- (c) None of these is essential
- (d) Both of these are essential

29. A intends to enter into an agreement with B only and with no other person. C fraudulently representing himself as B entered into an agreement with A who believed him to be real B. In this case the contract is void on account of

- (a) Unilateral mistake about identity
- (b) Bilateral mistake about identity
- (c) Common mistake about identity
- (d) Mutual mistake about identity

30. The important case *Cundy v. Lindsay* (1878) 3 AC 459 deals with

- (a) Bilateral mistake as to nature of agreement
- (b) Unilateral mistake as to nature of agreement
- (c) Bilateral mistake about identity of parties
- (d) Unilateral mistake about identity of parties

31. Where by a fraudulent representation of a party there is unilateral mistake about the identity of the party the contract is

- (a) Void (b) voidable
- (c) Valid (d) illegal

32. Generally the mistake about the identity of a party or about the nature of agreement is caused by fraud or misrepresentation of one party.

- (a) True (b) false

33. Where there is fraudulent representation about the nature (i.e. character) of the document the contract is

- (a) Valid (b) voidable
- (c) Void (d) unlawful

34. A by fraudulent representation got signed a gift deed from B in his favour representing it to be power of attorney. The gift deed is

- (a) Valid as gift deed is always valid
- (b) Voidable as there is fraud by one party
- (c) Void as there is mistake about nature of document
- (d) Illegal as fraud is an illegal act

35. Where there is fraudulent representation about the contents (not the nature) of a document the contract is

- (a) Valid as the contents are not material to contract
- (b) Voidable as there is fraud by one party
- (c) Void as there is mistake about document
- (d) Illegal as fraud is an illegal act

36. A contract made by mistake about some foreign law is

- (a) void (b) valid
- (c) Voidable (d) illegal

37. A contract made by mistake about some foreign law is

- (a) Void (b) valid (c) voidable (d) illegal

38. A mistake as to law not force in India has the same effect as

- (a) Fraud
(b) Misrepresentation
(c) Mistake of fact
(d) Mistake of Indian Law

39. Which of the following agreements are void?

- (i) Agreement made under the mistake of Indian law
(ii) Agreement made under the mistake of foreign law
(iii) Agreement made under unilateral mistake of fact
(iv) Agreement made under bilateral mistake of fact
- (a) (i), (ii), (iii) (b) (ii), (iii), (iv)
(c) (i), (ii), (iv) (d) (i), (iii), (iv)

Chapter 6: Legality of Object and Consideration

6.1: Introduction and Definition

1. All agreements are contracts if they are made
 - a) For lawful consideration only.
 - b) With lawful object irrespective of the legality of consideration.
 - c) For lawful consideration irrespective of the legality of object.
 - d) For lawful consideration as well as with lawful object.

2. Every agreement of which the object or consideration is unlawful in
 - a) Void b) Voidable
 - c) Valid d) Wager

3. The provision regarding the legality of object & consideration is emphasized in
 - A) Section 10 B) Section 23
 - C) Both a & b D) None of these

4. All agreements are contracts only if they are made for lawful consideration and with lawful object. It is emphasized in
 - a) Section 10 b) Section 23
 - c) Both a and b d) None of these

5. An agreement with unlawful object or unlawful consideration is void. It is emphasized in
 - A) Section 10 B) Section 23
 - C) Both a and b D) None of these

6. An agreement for lawful consideration but with an unlawful object is
 - A) Void B) Voidable

C) Wager D) partially illegal

7. An agreement with lawful object but for an unlawful consideration is
 - A) Void B) Voidable
 - C) Wager D) partially unlawful

8. The definition of both the unlawful object and unlawful consideration is given in
 - a) Section 10 b) Section 23
 - c) Both a and b d) None of these.

9. The consideration or object of an agreement is considered unlawful where it is
 - i. Forbidden by law
 - ii. Fraudulent
 - iii. Immoral
 - iv. Inadequate
 - a) i, ii, iii, iv b) ii, iii, iv
 - c) i, ii, iv d) i, ii, iii

10. In which of the following cases, the consideration or object of an agreement is not considered unlawful?
 - a) Where it is opposed to public policy.
 - b) Where it defeats the provision of any law.
 - c) Where it is not as per the requirements of promise.
 - d) Where it is injurious to another person or his property.

6.2: Cases of Unlawful Object and Consideration

1. The cases in which the object or consideration is considered unlawful are provided in
 - a) Section 10

- b) Section 23
c) Both of these
d) Judicial decisions
2. In which of the following cases, the object or consideration of an agreement is unlawful?
a) Where it is forbidden by law
b) Where it is fraudulent
c) Where it is immoral
d) All of the above
3. In which of the following cases, the object or consideration of an agreement is not unlawful?
a) Where it is not opposed to public policy
b) Where it does not defeat the provision of any law
c) Where it does not defeat the provision of any law
d) Both a and b
4. Where the object or consideration of an agreement is forbidden by law, the agreement is
A) Void B) Voidable
C) Valid D) Illegal
5. A agrees to pay Rs.5 lakhs to B if he (B) procures an employment for A in Income Tax Department. The agreement is
A) Valid B) Void
C) Voidable D) Contingent
6. A agrees to pay Rs.2 lakh to B if he kills C. The agreement is
a) Valid b) Voidable
c) Void d) Wagering
7. Where the object or consideration of an agreement is not directly forbidden by law, but is of such a nature that if permitted, it would defeat the provision of any law, the agreement is
a) Contingent b) Voidable
c) Valid d) Void
8. A agrees to pay Rs.25,000 to B if he becomes surety for A in a criminal case pending in the court of law. This agreement is
a) Void b) Voidable
c) Allowed d) Contingent
9. Where the object or consideration of an agreement is fraudulent, the agreement is
A) Valid B) Void
C) Fraudulent D) Voidable
10. A, B and C entered into an agreement to carry on some fraudulent business and to share the profit in equal shares. This agreement is
a) Valid b) Voidable
c) Void d) Fraudulent
11. An agreement to commit a crime or any wrongful act for which a civil suit can be brought, is
a) Void b) Voidable
c) Valid d) None of these
12. Where the object or consideration of an agreement is regarded as immoral, the agreement is
a) Void b) Voidable
c) Restricted d) Void

13. Where the object or consideration of an agreement is opposed to public policy, the agreement is
- a) Void
 - b) Voidable
 - c) Valid
 - d) None of these

6.3: Agreements Opposed To Public Policy

1. An agreement is said to be opposed to public policy when it
 - a) Is injurious to the welfare of the society
 - b) Tends to prejudice the welfare of the society
 - c) Either a or b
 - d) Is against provision of any law
2. An agreement opposed to public policy is
 - a) Void
 - b) Voidable
 - c) Valid
 - d) None of these
3. Which of the following is not covered by heads of public policy?
 - a) Trading with an enemy
 - b) Contracts to do impossible act
 - c) Trafficking in public offices
 - d) Marriage brokerage contracts.
4. Which of the following agreements do not fall in the category of agreements opposed to public policy?
 - a) Agreement to commit a crime.
 - b) Agreement restricting personal liberty.
 - c) Agreement in restraint of parental right.
 - d) Agreement of wagering nature.

5. An agreement intended to induce a government officer to act corruptly is
 - a) Void, being against public policy
 - b) Voidable, being involving corrupt practices only
 - c) Valid, being made according to routine corrupt practices
 - d) Enforceable with the permission of government.
6. An agreement for the procurement of a public recognition such as Param Veer Chakra or any other title for monetary or other consideration is
 - a) A quasi contract
 - b) Contingent contract
 - c) Opposed to public policy
 - d) Not opposed to public policy
7. Which of the following statements are correct?
 - i. An agreement with voters to procure their votes for monetary consideration is void.
 - ii. An agreement with a person for procuring a seat in a college for monetary consideration is void
 - iii. An agreement by way of wager is voidable.
 - iv. An agreement restricting personal liberty is void.
 - a) i, ii, iii
 - b) ii, iii, iv
 - c) i, ii, iv
 - d) i, iii, iv

8. An agreement which interferes with the administration of justice is opposed to public policy. Which of the following agreements fall in this category?
- An agreement which obstructs the ordinary course of justice
 - An agreement for stifling prosecution.
 - A champertous agreement with mala fide intention.
 - All of the above.
9. A agrees to pay Rs.50, 000 to B if he gives false evidence in his favour in a case pending against him in a court of law. This agreement is
- Void as such agreements are usually made and are recognized by courts.
 - Void as it interferes with administration and thus opposed to public policy.
 - Enforceable after seeking permission of the court.
 - Conditional depending upon the decision of the case.
10. An agreement not to prosecute an offender or to withdraw a pending prosecution is void, and is known as the agreement for
- Maintenance
 - Champerty
 - Stifling prosecution
 - None of these
11. An agreement, to give assistance (monetary or otherwise) to another person to recover property by legal action and to share the proceed of litigation, is known as
- Champertous agreement
 - Stifling prosecution
 - Maintenance agreement
 - None of these
12. A champertous agreement which is fair and made with bona fide object of assisting a person is valid.
- True
 - False.
13. An agreement to pay the lawyer according to the results of the case is against public policy
- True
 - False
14. An agreement to procure the marriage of a person in consideration of money is
- Called a marriage brokerage contract
 - Against the public policy
 - Valid and enforceable
 - Both a and b.
15. Which of the following agreements is void as being opposed to public policy?
- An agreement to indemnify a person against consequences of his criminal act.
 - An agreement by a father to transfer the guardianship of his minor son to a third person.
 - An agreement which restricts the personal liberty of an individual.
 - All the above are void, being opposed to public policy.
16. Agreements (a) in restraint of marriage, (b) in restraint of legal proceedings and (c) in restraint of trade have been expressly declared to be void by the Indian Contract Act. Do they also fall in the category of agreements opposed to policy?

9. A knowingly let out his house to B, a prostitute. A cannot recover the rent as it is an illegal agreement and void. Can he file a suit for eviction and recovery of possession?
- a) Yes, as his right as owner is enforceable without disclosing the illegality.
 - b) No, as he knowingly let out the house.
10. Where an agreement consists of two parts one legal and the other illegal, and the legal part is separable from the illegal one, such legal part is
- a) Void
 - b) Valid
 - c) Voidable
 - d) Illegal.
11. Which of the following statements is correct?
- a) An illegal agreement is voidable.
 - b) Transaction collateral to illegal agreement is valid.
 - c) In case of illegal agreements, court help only the weak party.
 - d) In case of illegal agreements, courts are neutral and help neither party.