

**TRANSFER OF PROPERTY IN GOODS AND DELIVERY**  
**TRANSFER OF PROPERTY IN GOODS**  
**MULTIPLE CHOICE QUESTIONS**

Transfer of Property and Risk

1. A agrees to purchase bales of paper from B at Madras. The goods are sent by railway, delivery to be against payment by A through bank. A paid the amount and obtained a delivery order. But, the goods had been destroyed by fire before he had paid the amount. Decide, who shall bear the loss?  
 (A) A                      (B) B                      (C) A and B equally                      (D) A and B in some other agreed ratio
2. In case of a sale of goods by a person in possession of goods under a voidable contract, he can pass valid title to the Buyer -  
 (A) only if the contract has been rescinded.                      (B) only if the contract has not been rescinded.  
 (C) only when fraud is proven to the new Buyer.                      (D) only when misrepresentation is proven to the new Buyer.
3. Which of the following statement is/are correct?  
 (A) The general rule is "unless otherwise agreed, the goods remain at the seller's risk until the property therein is transferred to the buyer, but when the property therein is transferred to the buyer, the goods are at the buyer's risk whether delivery has been made or not  
 (B) Where the delivery of the goods has been delayed through the fault of either the buyer or the seller, the goods are at the risk of the party in fault as regards any loss which might not have occurred but for such fault.  
 (C) In ordinary circumstances, risk is borne by the buyer only when the property in the goods passes over to him. However, the parties may by special agreement stipulate that risk will pass sometime after or before the property has passed.  
 (D) All of the above
4. In case of a sale the risk of loss resulting from the insolvency of the buyer is borne by –  
 (A) The seller.    (B) The buyer.    (C) Both of the above.    (D) General Insurance Company of India.
5. Selection of goods with the intention of using them in performance of the contract and with the mutual consent of the seller and the buyer is known as-  
 (A) Distribution.    (B) Appropriation.    (C) Amortisation.    (D) Storage.
6. In case the goods are destroyed or damaged or lost by accident the loss will fall on -  
 (A) The owner of the goods.    (B) The buyer.    (C) The owner and the buyer.    (D) The third party.
7. A contract of sale involves transfer of-  
 (A) Possession of goods.    (B) Ownership.    (C) Liability.    (D) None of these
8. In a concluded sale, if the goods are destroyed, the loss is to be borne by-  
 (A) The seller.    (B) The buyer.    (C) The party who is in possession of goods.    (D) Both seller and buyer in agreed proportions.
9. There was a contract to supply "waste coal and ash for the next six months, as and when the waste is generated by the Seller's Factory". The Buyer paid the lumpsum price for the next six months in advance. When does the property in the goods pass to the Buyer?  
 (A) After the lapse of six months period                      (B) At the time of entering into the contract  
 (C) At the time of paying advance money                      (D) As and when the Factory discharges the Waste
10. In which of the following situations, the Buyer is NOT deemed to have accepted the Goods?  
 (A) When he intimates to the Seller that he has accepted them.  
 (B) When the Goods are delivered to him, he does some action which is inconsistent with the ownership of the Seller.  
 (C) When, after the lapse of a reasonable time, he retains the goods without intimating the Seller that he has rejected the Goods.    (D) When he does not return the goods after rejecting them.
11. The property in goods' means the-  
 (A) Possession of goods.    (B) Custody of goods.    (C) Ownership of goods.    (D) Both (A) and (B)

12. Where there is an unconditional contract for the sale of specific goods in a deliverable state, the property in goods passes to the Buyer, when the—  
 (A) parties intend. (B) goods are delivered. (C) price is paid. (D) contract is made.
13. The goods are at the risk of a party, who has the—  
 (A) Ownership of goods. (B) Possession of goods. (C) Custody of goods. (D) Both (B) and (C)
14. In case of unconditional contract of sale, the property passes to the buyer at the time of making the contract. For this rule to apply, the goods must be -  
 (A) Specific. (B) In a deliverable state. (C) Physically transferred to buyer. (D) Both (A) and (B)
15. In case of sale on approval, the ownership is transferred to the buyer, when he -  
 (A) Accepts the goods. (B) Adopts the transaction. (C) Fails to return the goods. (D) In all the above cases.
16. In case of sale of standing trees, the property passes to the buyer, when the trees are -  
 (A) felled and ascertained. (B) not felled but earmarked, (C) counted and ascertained (D) both (A) and (B)
17. In case, the delivery of goods is delayed due to the fault of party, the goods shall be at the risk of the defaulting party, even though the ownership is with the other party.  
 (A) True, as there is a provision to this effect. (B) False, as it is against the general rule.
18. In pursuance of a contract to fill 20 bags of sugar out of a large quantity, the seller filled four bags, which the buyer takes away. Subsequently, the seller filled 16 more bags, informed the buyer of this and requested him to take them away. Before the buyer could take the delivery, the 16 bags caught fire and damaged. Decide, who shall bear the loss.  
 (A) Seller (B) Buyer (C) Seller and Buyer equally (D) Seller and Buyer in some other agreed ratio
19. In case of sale of unascertained goods, the ownership is transferred to the buyer when the goods are—  
 (A) ascertained. (B) appropriated to the contract. (C) weighed and measured. (D) both (A) and (B)
20. Essentials involved in appropriation of the goods are -  
 (A) The goods should conform to the description and the quality stated in the contract.  
 (B) The goods must be in a deliverable state.  
 (C) The goods, must be unconditionally appropriated to the contract either by delivery to the buyer or to his agent or the carrier.  
 (D) All of the above
21. One Blenkarn, knowing that Blenkiron & Co were reputed customers of Lindsay & Co, placed an order with Lindsay & Co. by imitating signatures of Blenkiron. Goods were then sold to Cundy, an innocent buyer. Lindsay & Co. Sued Cundy for recovery of goods. In this case—  
 (A) Cundy has good title to goods and can retain them.  
 (B) Sale made by Blenkarn to Cundy is valid.  
 (C) Both (A) and (B)  
 (D) Lindsay never intended to contract with Blenkarn, there was no contract. So, Cundy's title is defective.
22. X offers Y his buffalo for Rs. 12,000, the same to be delivered to Y on a stipulated day and price to be paid on another stated day. Y accepts the offer. Decide- Does the property in the buffalo pass to Y?  
 (A) The property in the buffalo passes to Y.  
 (B) The property in the buffalo does not pass to Y, as the price is not decided.  
 (C) The property in the buffalo does not pass to Y, as the buffalo is not in a deliverable situation.  
 (D) Both (B) and (C)
23. The defendant purchased 975 bags of rice being the whole contents of a "Gola", paid earnest money and took part delivery of rice. The rest was afterwards destroyed by fire. Decide—  
 (A) Defendant is liable to pay the balance of the price.  
 (B) Defendant is not liable to pay the balance of the price, as the balance of the rice was not delivered.

(C)Defendant is not liable to pay the balance of the price, as the ownership in the balance of the rice was not transferred to him.

(D)Both (B) and (C)

24. A, B, and C own certain cattle in common. A is left by B and C in possession of a cow which he sells to D. D purchases it bonafide. Decide-

(A)The property in the cow transferred to D.

(B)The property in the cow is not transferred to D, as consent of B and C was not taken in the Sale.

(C)The property in the cow is not transferred to D, the cow was sold by A, who is not the sole owner of the cow.

(D)None of the above

25. A delivers bags of cements to B on "Sale on approval basis for 10 days. The cement became stone due to heavy rainfall (without any fault of B) on the fifth day itself.

The loss is to be borne by- "

(A) A, because the ownership has not passed to

(B) A, if B refuses to bear the loss.

(C)B, if A refuses to bear the loss.

(D)B, because the ownership has passed to B.

26. In Q. 25 above, if the cement became stone, after being accepted by B, the loss is to be borne by-

(A)A, if B refuses to bear the loss.

(B)B, if A refuses to bear the loss.

(C)A, because the ownership has not passed to B.

(D)B, because the ownership has passed to B.

27. In Q. 25 above, if B retains the good and gives notice of rejection on the fourth day, the loss is to be borne by-

(A)A, because the ownership has not passed to b.

(B)B, because the bags were in custody of B, at — the time of damage.

(C)B, because B has retained the bags for more than three days.

(D) B, because the ownership has passed to B.

28. In Q. 25 above, if B neither returns nor rejects the bags till the tenth day and eventually the damage occurs on the eleventh day,

the loss shall be borne by-

(A)A, because the ownership has not passed to B.

(B)A, because ten days has elapsed.

(C)A, because the agreement has become Void.

(D)B, because the ownership has passed to B.

29. Where the Seller agrees to deliver the Goods at his own risk at a place other than at which they are sold, the\_\_ shall bear the risk of deterioration necessarily incident in the course of transit, unless otherwise agreed.

(A)Buyer (B)Seller (C) Carrier (D) Railway administration

30. Section \_\_\_\_\_ of the Sale of Goods Act, provides for passing of property in goods where there is an unconditional contract for the sale of specific goods in a deliverable state.

(A) 18 (B) 19 (C) 20 (D) 21

31. The rule as to passing of property as laid down in Sec. 20 of the Sale of Goods Act, shall apply when—

(A)the time of payment of price is postponed.

(B)the time of delivery of the goods is postponed.

(C)even the time of payment of price and the time of delivery of the goods are both postponed.

(D)neither the time of payment of price nor the time of delivery of the goods is postponed.

32. In case of an' unconditional contract for sale of specific goods in a deliverable state, the property passes to the Buyer—.

(A)upon delivery of goods.

(B)upon payment of price.

- (C) at such time as the parties intend it to be transferred.  
 (D) at the time when contract, is made.

33. In a sale of specific or ascertained goods, the property therein is transferred to the Buyer—  
 (A) upon delivery of goods.  
 (B) upon payment of price.  
 (C) at such time as the parties intend it to be transferred.  
 (D) at such time as decided by the Court,

34. The property in goods in a contract for sale of specific or ascertained goods, passes to the Buyer—  
 (A) when the price is paid.  
 (B) when the contract is made.  
 (C) when the parties intend the property in goods to pass.  
 (D) all of the above

35. Which of the following is "relevant" for determining the passing of property in ascertained goods?  
 (A) Intention of Parties (B) Delivery of Goods (C) Payment of Price (D) All of the above

36. Goods delivered on sale or return basis were pledged by the delivery. Decide—  
 (A) The original owner can recover the goods from the pledge, as goods are not expressly approved by the buyer.  
 (B) The original owner can recover the goods from the pledgee, as Pledgee is not the owner of the goods.  
 (C) The original owner cannot recover the goods from the pledgee, as goods are impliedly approved by the buyer.  
 (D) Both (A) and (B)

37. In a sale on "approval" basis, any act of the Buyer exercising domination over the goods, showing an unequivocal intention to buy is called—  
 (A) adopting the transaction. (B) adapting the transaction. (C) revoking the transaction. (D) rejecting the transaction.

38. In a sale on "approval" basis, where a time has been fixed for return of goods, property passes to the Buyer when the Buyer, without giving notice of rejection retains the goods beyond—  
 (A) contract-specified time. (B) reasonable time. (C) natural time. (D) questionable time.

39. In case of sale on "sale or return" or "approval" basis, property passes to the Buyer when—  
 (A) Buyer retains the goods for more than the contract-stipulated time.  
 (B) Buyer retains the goods for more than a reasonable time.  
 (C) neither (A) nor (B)  
 (D) either (A) or (B)

40. A Buyer from one of the Joint Owners of the goods get a good title if he buys the goods—  
 (A) in good faith. (B) without having notice of any want of authority in the seller.  
 (C) either (A) or (B) (D) both (A) and (B)

41. When the property in Goods is transferred to Buyer, Goods are at the \_\_\_\_\_ risk, irrespective of whether delivery has been made or not.  
 (A) Buyer's (B) Seller's (C) Carrier's (D) All of the above

42. Section 27 of the Sale of Goods Act, 1930 provides for transfer—  
 (A) of authority in goods. (B) of risk in goods. (C) of title in goods. (D) of interest in goods.

43. Ordinarily, if any person who does not possess a good title to the goods makes a sale, the Buyer \_\_\_\_\_ even though he has acquired it bonafide and for value.  
 (A) would acquire title (B) would acquire possession : (C) would not acquire title (D) would not acquire possession

44. In case of sale on "sale or return" or "approval" basis, property passes to the Buyer, when—  
 (A) Buyer approves or accepts the goods.  
 (B) Buyer does any act adopting the transaction.

(C) Buyer retains the goods for more than the contract-stipulated time or reasonable time, without giving notice of rejection.

(D) All of the above

45. In case of sale on "sale or return" or "approval" basis, the term "Buyer" signifies a Bailee in possession with option to purchase the goods.

(A) True (B) Partly True (C) False (D) None of the above

46. In case of sale of unascertained goods, the property in goods passes—

(A) when the contract provides that the property in goods shall pass.

(B) when the goods are ascertained.

(C) when the contract is made.

(D) all of the above

47. For passing of property in respect of specific or ascertained goods, the intention of the parties can be ascertained from—

(A) Terms of the contract.

(B) Conduct of the parties.

(C) Circumstances of the case.

(D) All of the above

48. Section 26 of the Sale of Goods Act, lays down the rule that Risk follows—

(A) the property. (B) the delivery. (C) the defaulter. (D) the Seller.

49. Risk prima facie passes with—

(A) property or ownership. (B) completed agreement. (C) verification and delivery of goods.

(D) payment of price,

50. By an agreement between the parties—

(A) risk can be separated from ownership in particular.

(B) risk cannot be separated from ownership.

(C) either (A) or (B)

(D) neither (A) nor (B)

Transfer by Non-owner

51. Mercantile Agent is having an authority to-

(A) sell or consign goods. (B) raise money on the security of goods. (C) sell or buy goods. (D) any of the above

52. Where goods are sold by a person, who is not the owner thereof the buyer-

(A) Acquires no better title to the goods than the seller had.

(B) Acquires same title of the goods as the owner had.

(C) Acquires no title of goods.

(D) None of these

53. 'A' acquired certain goods from 'C' by falsely representing that he was acting on behalf of 'B' and was authorized to collect the goods. 'A' later sold the goods to 'D'. Is the sale valid?

(A) The sale is valid as 'D' is not supposed to inquire the status of, 'A' as a seller.

(B) The sale is valid because 'D' has purchased the goods in good faith.

(C) The sale is valid as 'A' has acquired the goods by way of fraud.

(D) The sale is not valid as because it is a sale by non-owner and therefore, 'D', the buyer, will not acquire Good Title of the goods.

54. In case of hire purchase, the hirer can pass title : to a bonafide purchaser.

(A) True, as it would be sale by buyer in possession after agreement to sale.

(B) false, as the rule 'Nemo dat quo non Habet' will apply.

(C) None of these

55. In case of hire purchase, the hirer can pass the title to a bonafide purchaser.

(A) True (B) Partly true (C) False (D) None of the above

56. In case of a sale the buyer-

(A) Can pass a good title to a bonafide purchaser.

(B) Cannot pass a good title to a bona fide purchaser.

- (C)Both of the above  
(D)None of the above

### Delivery

57. Which of the following is not a form of delivery?

- (A)Constructive delivery (B)Structured delivery (C)Actual delivery (D)Symbolic delivery

58. If a seller handed over the keys of a warehouse ,,- containing the goods to the buyer results in-

- (A)Constructive delivery. (B)Actual delivery. (C)Symbolic delivery. (D)None of the above.

59. Which of the following modes of delivery of goods is considered effective for a valid contract of sale?

- (A)Actual delivery (B)Symbolic delivery (C)Constructive delivery (D)All of these.

60.X of Cochin agreed to sell 400 tons of rice to Y of Calcutta to be shipped in November or December 2007. X puts the rice on ship in October 2007. Is the buyer bound to accept the consignment?

- (A)Yes (B)No

61. If Goods are sent by sea-route, the Seller give notice to Buyer so as to enable him to insure the Goods during transit.

- (A) must (B)may (C) shall (D) any of the above

62. Section \_\_\_\_\_ of the Sale of Goods Act, 1930 defines the term "Delivery".

- (A) 2(1) (B)2(2) (C)2(3) (D) 2(4)

63.Acceptance of delivery of goods is deemed to take place, when the buyer -

- (A)intimates to the seller that he had accepted the goods.  
(B)does any act to the goods, which is inconsistent with the ownership of the seller.  
(C)retains the goods after the lapse of a reasonable time without intimating the seller that he has rejected them.  
(D)any of the above.

64. If the buyer rejects the whole quantity of goods due to short delivery or excess delivery, the contract is treated as—

- (A)subsisting. (B)cancelled. (C) void. (D)invalid.

65. A owes B Rs. 2,000. B accepts some of A's goods in deduction of the debt. Does the delivery of the goods operate as a part payment ?

- (A)Yes (B)No

66. Voluntary transfer of possession by one person to another is popularly known as-

- (A)Transfer. (B)Possession. (C)Delivery. (D)None of the above

67. Where the seller wrongfully neglects to deliver the goods to the buyer, then the buyer -

- (A)cannot sue the seller for damages for non- delivery.  
(B)may sue the seller for damages for non delivery.  
(C)either (A) or (B)  
(D)none of the above

68. Delivery of a thing in token of a transfer of something else is known as—

- (A)Actual Delivery. (B)Constructive Delivery. (C)Delivery by acknowledgment. (D)None of the above

69. The action of goods being physically delivered to the buyer is known as-

- (A)Actual Delivery. (B)Constructive Delivery. (C)Symbolic Delivery. (D)All of the above.

70. Delivery which is effected without any change in the custody or actual possession of the thing is known as—

- (A)Actual Delivery. (B)Symbolic Delivery. (C) Constructive Delivery (D) None of the above

71. Delivered by acknowledgement is—

- (A)Actual Delivery. (B)Constructive Delivery. (C)Symbolic Delivery. (D)None of the above

72. The delivery of goods and payment of price are -  
(A) Concurrent conditions. (B) Principal conditions. (C) Mutual conditions. (D) All of these
73. Which of the following is true, delivery means -  
(A) Compulsory transfer of possession by one person to another person.  
(B) Voluntary transfer of possession by one person to another.  
(C) Mere transfer of possession by one person to another person.  
(D) All of these
74. Which of the following sentence is true?  
(A) There should be immediate delivery of goods.  
(B) There should be immediate payment of price.  
(C) There may be delivery of goods and payment of price to be made at some future date.  
(D) All of these
75. A buys from B bales of Branch Cotton, December, 1991 delivery, at Rs. 1,250 per bale. On the date of delivery, the price is Rs. 1,000 per bale. A wants to avoid contract. Can he do so with impunity?  
(A) Yes (B) No
76. A promises to deliver goods to B's warehouse, on the 1st January. On that day A brings the goods to B's warehouse, but after the usual hour for closing the warehouse and they are not received. Has A performed his promise?  
(A) Yes (B) No
77. Where the goods are delivered to a carrier or wharfinger for the purpose of transmission to the buyer, the delivery is -  
(A) Invalid and ineffective. (B) Valid and effective. (C) Conditional. (D) None of these
78. P agrees to sell and deliver to Y 300 quintals of rice, but only 200 quintals are delivered. Y has the rice weighed and accepts the quintals sent. Y afterwards objects that the whole of the 300 quintals was not delivered and he refuses to pay for 200 quintals. Is Y liable to pay for what he has accepted?  
(A) Yes (B) No
79. There was a sale of 25 tonnes of cloves for October/ November shipment. The seller shipped 20 tonnes in November and 5 tonnes in December. Would the buyer be entitled to reject the whole 25 tonnes?  
(a) Yes (B) No
80. A agrees to sell 50 Refrigerators to B, at a price to be determined by C. 30 of 50 Refrigerators are delivered to B B agreed to the above agreement, without asking the dealer whether the refrigerators are fit to make ice and paid the determined consideration. The refrigerators failed to make ice.  
(A) A must refund the price, because refrigerators are meant to make ice.  
(B) A will refund the price, only if buyer would have disclosed this particular purpose.  
(C) A will refund the price at his option.  
(D) A need not refund the price.
81. In Q. 80 above, what would be the legal position, if C denies to determine the price?  
(A) C can be compelled to determine the price.  
(B) The contract becomes voidable at the option of parties.  
(C) The contract becomes void and B must return those 30 refrigerators.  
(D) The contract becomes void and B must pay reasonable price for 30 refrigerators.
82. In Q. 80 above, what would be the legal position, if B prevents C from determining the price?  
(A) C can be compelled to determine the price.  
(B) The contract becomes voidable at the option of A.  
(C) The contract becomes void, and B must pay reasonable price for 30 refrigerators.  
(D) B has to return the refrigerators.
83. In Q. 80 above, If 20 refrigerators are stolen at time of making contract, the aforesaid contract becomes  
(A) Void, because the goods have perished. (B) Void, because the contract was indivisible.

(C)Voidable at the option of B. (D)Party Void and partly valid.

84. A sells 50 quintals of wheat to B. The wheat remains in A's warehouse after the sale. B sells to C 10 quintals of wheat, and A at B's desire sends those 10 quintals of wheat to C. In the circumstances can it be regarded as the delivery of the whole quantity?

(A)Yes (B)No (C)Partly Yes (D)None of the above

85. Where the Seller repudiates a contract before the date of delivery, the Buyer may treat the contract-

(A)as subsisting and wait till the date of delivery.  
(B)as rescinded and sue the Buyer for damages for the breach on his part.  
(C)neither (A) nor (B)  
(D)either (A) or (B)

86. Section 60 of the Sale of Goods Act, is applicable where the contract of sale is repudiated by either party before the date of-

(A)payment of price. (B)delivery. (C)both (A) and (B) (D)either (A) or (B)

87. Delivery of Goods sold may be made by doing—

(A)anything which the parties agree shall be treated as delivery.  
(B)anything which has the effect of putting the Goods in the possession of the Buyer or of any person authorized to hold them on his behalf.  
(C)Both (A) and (B)  
(D)Either (A) or (B)

88. In case of repudiation of contract of sale before the date of delivery, where the delivery was to be made by installments, the measure of damages is the difference between the Contract Price and Market price on—

(A)date of making the contract.  
(B)date of last intended delivery under the contract.  
(C)several dates when the goods ought to have been accepted/delivered.  
(D)date of Court's Order.