

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

**Free Consent**

1. Consent means parties agreeing on
  - a) The terms of the contract
  - b) Some terms of the contract
  - c) The same thing in the same sense
  - d) Any matter of the contract
2. Section ..... of the Indian contract act deals with consent.
  - a) 12
  - b) 13
  - c) 14
  - d) 15
3. Consent Means
  - a) Unity of minds on the same thing
  - b) Meeting of minds on the same thing in the same sense
  - c) Agreeing on same thing in the same sense
  - d) Either (a) or (b) or (c)
4. "Free Consent" is dealt with under Section .... Of the Indian Contract Act.
  - a) 12
  - b) 12
  - c) 14
  - d) 15
5. Consent and free consent are same and one thing.
  - a) True
  - b) Partly true
  - c) False
  - d) Partly False
6. Sec .... Of Indian Contract Act deals with "Coercion".
  - a) 15
  - b) 16
  - c) 17
  - d) 18
7. Consent is said to be free when it is not obtained by
  - a) Coercion
  - b) Fraud
  - c) Bilateral Mistake
  - d) Either (a) or (b) or (c)
8. Two person are said to be in consent
  - a) When they agree on any things
  - b) When they agree upon the same thing in the same sense
  - c) When they agree upon the same thing in different sense
  - d) When they agree upto the same thing in different sense
9. .... means forcibly compelling a person to enter into a contract.
  - a) Intimidation
  - b) Fraud
  - c) Mistake
  - d) Coercion
10. Coercion includes
  - a) Causing fear
  - b) Threat to detain property
  - c) Detain goods unlawfully
  - d) All of the above
11. The act amount to coercion is
  - a) Threat to sue
  - b) Threat to strike
  - c) Threat to suicide
  - d) Threat to detain property under mortgage
12. A contract is said to be caused by undue influence
  - a) When one party is a dominant party
  - b) When one party uses its dominant position to get unfair advantage over the other in a contract
  - c) When parties to contract are close friends
  - d) When parties to a contract are near relatives
13. A threatens to kill B, if B does not agree to sell his property to A. B's Consent is obtained by
  - a) Fraud
  - b) Undue Influence
  - c) Coercion
  - d) Misrepresentation
14. D threatens to kill A if he does not sell his hose to B at a very low price. Even if D is a stranger to the transaction between A and B, the agreement is caused by

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

- a) Undue Influence
  - b) Coercion
  - c) Fraud
  - d) Misrepresentation
- 15.**A, Hindu widow, was forced to adopt B under threat that her husband's dead-body would not be allowed for funeral, unless she adopts B. the adoption is void-able since the consent is caused by
- a) Undue Influence
  - b) Coercion
  - c) Fraud
  - d) Mistake
- 16.**A contract is said to be made without consent when the contract is caused by
- a) Coercion
  - b) Undue influence
  - c) Fraud
  - d) Bilateral Mistake of fact
- 17.**To make a contract voidable, coercion must have been exercised against
- a) promisor
  - b) Any other person
  - c) Either (a) or (b)
  - d) Neither (a) nor (b)
- 18.**Duress under English Contract Law is similar to
- a) Undue influence
  - b) Coercion
  - c) Fraud
  - d) Misrepresentation
- 19.**To avoid a contact under the claim of "Coercion" , the Indian Pena code should be in force where the coercion is employed.
- a) True
  - b) Partly True
  - c) False
  - d) None of the above
- 20.**..... means unfair use of one's superior power in order to obtain the consent of a person who is in a weaker position.
- a) Coercion
  - b) Undue influence
  - c) Fraud
  - d) 'Misrepresentation
- 21.**Section .... Of the Indian Contract Act deals with "Undue Influence".
- a) 15
  - b) 16
  - c) 17
  - d) 18
- 22.**A person is deemed to be in a position to dominate the will of another if
- a) He holds a real or apparent authority over the other
  - b) He stands in a fiduciary relation to the other
  - c) All of the above
  - d) None of the above
- 23.**A person is deemed to be in a position to dominate the will of another if
- a) He stands in a fiduciary relation to the other
  - b) He makes a contract with a person whose mental capacity is temporarily or permanently affected by reason of age, illness or mental or bodily distress
  - c) All of the above
  - d) None of the above
- 24.**The agreement entered into with free consent is
- a) Valid
  - b) Void
  - c) Voidable
  - d) Illegal
- 25.**The agreement entered into without free consent is
- a) Valid
  - b) Void
  - c) Voidable
  - d) Illegal
- 26.**A person is deemed to be in a position to dominate the will of another by undue influence if the mental capacity is affected temporarily or permanently by reasons of
- a) Age

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

- b) Illness  
c) Mental or bodily distress  
d) All of the above
- 27.** Who has defined that "undue influence is the unconscionable use, by one person, of power possessed by him over another in order to induce the other party to enter into contract ?  
a) Holland  
b) Pollack  
c) Lord Halsbury  
d) Salmond
- 28.** A contract which is abided on grounds of undue influence may be set aside  
a) Absolutely  
b) Upon such terms and conditions as the Court may deem fit  
c) Either (a) or (b)  
d) Both (A) and (B)
- 29.** An illiterate old woman made a gift deed of her entire property to her nephew who managed her affairs. The gift can be set aside on the grounds of  
a) Mistake  
b) Coercion  
c) Fraud  
d) Undue Influence
- 30.** A applies to a Banker for a loan when the money market is very stringent Banker says that loan could be provided only at such high interest A's consent is  
a) Not obtained by undue influence  
b) Obtained by undue influence  
c) Not obtained by coercion  
d) Obtained by fraud
- 31.** Mere proof of nearness of relationship is not sufficient for the Court to assume that one relation was in a position to dominate the will of another  
a) True  
b) Partly true  
c) False  
d) None of the above
- 32.** Which of the following relationships raise presumption of undue influence ?  
a) Parent and Child  
b) Guardian and Ward  
c) Spiritual Guru and Disciple  
d) All of the above
- 33.** Which of the following relationships raise presumption of undue influence ?  
a) Doctor and Patient  
b) Solicitor and Client  
c) Trustee and Beneficiary  
d) All of the above
- 34.** Which of the following relationship raise presumption of Under influence?  
a) Landlord and Tenant  
b) Husband and Wife  
c) Fiancé and Fiancee  
d) Creditor and Debtor
- 35.** undue influence is not presumed when the relationship between the parties is  
a) master- Servant  
b) doctor-patient  
c) husband-wife  
d) shopkeeper-buyer
- 36.** Coercion and Under Influence, involve physical force or threat.  
a) True  
b) Partly True  
c) False  
d) None of the above
- 37.** To employ "coercion", relationship between the parties is  
a) Necessary  
b) Not necessary  
c) Required  
d) Presumed
- 38.** To employ "undue Influence", relationship between the parties is  
a) Necessary  
b) Not necessary  
c) Required  
d) Presumed
- 39.** Section 17 of the Indian Contract Act deals with  
a) Coercion

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

- b) Undue Influence
  - c) Fraud
  - d) Mistake
- 40.** Fraud means
- a) Suggestion as a Fact, of something which is not true, by a person who does not believe it to be true
  - b) Active concealment of a fact
  - c) Promise made without any intention of performing it
  - d) All of the above
- 41.** Which of these constitute Fraud?
- a) Any act fitted to deceive
  - b) Any such act or omission as specifically declared by law to be fraudulent
  - c) Both (a) and (b)
  - d) Neither (a) nor (b)
- 42.** Which of these does not constitute Fraud?
- a) Suggestion as a fact, of something which is not true, by a person who does not believe it to be true
  - b) Active concealment of a Fact
  - c) Innocent statement, honestly believing the same to be true.
  - d) Promise made without any intention of performing it
- 43.** Which of these does not constitute Fraud?
- a) Promise made without any intention of performing it.
  - b) Physical threat to the person
  - c) Any act fitted to deceive
  - d) Any such act or omission as specifically declared by Law to be fraudulent
- 44.** A mere attempt at deceit by one party
- a) Is not fraud unless the other party is actually deceived
  - b) Is fraud whether the other party has been deceived or not
  - c) Amounts to mistake
  - d) Amount to undue influence
- 45.** Fraud may be committed by
- a) A party to the contract
  - b) Stranger to the contract
  - c) An agent of the party to the contract
  - d) Both (a) and (c)
- 46.** Which of these constitute essential elements of Fraud?
- a) Representation should relate to a material fact
  - b) Representation should be False
  - c) The intention must be to induce the other party to act upon it
  - d) All of the above
- 47.** If A sells, by auction to B a horse which A knows to be unsound and A says nothing to B about the horse's unsoundness, this amount to
- a) Fraud
  - b) Not fraud
  - c) Unlawful
  - d) Illegal
- 48.** If A sells, by auction to B a horse which A knows to be unsound and A says nothing to B about the horse's unsoundness, this amount to
- a) Fraud
  - b) Not fraud
  - c) Unlawful
  - d) Illegal
- 49.** Duty to speak exists in case
- a) Where the parties stand in a fiduciary relationship
  - b) Where contract is a one of ubberima fidei
  - c) Both (a) and (b)
  - d) Neither (a) nor (b)
- 50.** Uberima fidei means
- a) Bad faith
  - b) Utmost good faith
  - c) Good faith
  - d) No faith at all
- 51.** Which of the following is correct?
- a) Consent obtained by fraud makes the agreement void
  - b) Silence as to material facts always amount to fraud

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

- c) A deceit which does not deceive is no fraud  
d) Unilateral mistake of fact always renders the contract void
- 52.** In which of the following cases, the contract cannot be avoided on grounds of fraud?  
a) A fraud which did not cause the consent of the party to the agreement  
b) If the party had the means to discover the truth with ordinary diligence  
c) Where a party enters into a contract in ignorance of fraud  
d) All of the above
- 53.** A bought shares in a Company on the faith of a prospectus that contained an untrue statement as to the directorship of B. A had never heard of B and hence such statement was immaterial from his view point. A claimed damages for fraud. His claim will be dismissed on the ground that  
a) There was no fraud  
b) It is a subject matter covered under Companies Act  
c) The untrue statement had not induced him to buy the shares  
d) All of the above
- 54.** In Derry Vs 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 false  
d. Both (a) and (c)
- 55.** 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
- 56.** . 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 the above
- 57.** The important element which distinguishes misrepresentation from fraud is that the misrepresentation is an  
a. intentional statement  
b. innocent statement  
c. important statement  
d. irrelevant statement
- 58.** . In a contract of insurance, keeping silent as to material facts amounts to fraud.  
a. True  
b. Partly True  
c. False  
d. None of the above
- 59.** For a marriage contract, the relatives 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. Misrepresentation  
c. undue influence  
d. None of the above
- 60.** Section ..... of the Indian Contract Act deals with "Misrepresentation"  
a. 15  
b. 16  
c. 17  
d. 18
- 61.** Misrepresentation means  
a. causing a party entering into an agreement to make a mistake as to the subject matter of contract  
b. a positive assertion, in a manner warranted by the information of the person making it, not true but he believes it to be true  
c. Any breach of duty, which gains an advantage to the person committing it by misleading another to his prejudice.  
d. All of the above

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

62. When the contract is entered into under misrepresentation, it is
- void
  - valid
  - invalid
  - voidable
63. Which of these are features of Misrepresentation, not treated as Fraud?
- Innocent and Unintentional
  - Believes the representation to be true
  - No intention to deceive or defraud the other party.
  - All of the above
64. Any breach of duty bringing gains to the Doer, by misleading another to his prejudice is a case of
- Suppression of Facts
  - Breach of Contract
  - Fraud
  - Misrepresentation
65. Misrepresentation results not only from misstatement of facts, but also from suppression of material facts.
- True
  - Partly True
  - False
  - None of the above
66. Which of the following are essential features of Misrepresentation?
- Representation should be of a material fact
  - It must be made before the conclusion of the contract
  - There should not be an intention to deceive the other party
  - All of the above
67. A wrong statement of facts made to a third person with an intent to communicate it to the party involved amounts to misrepresentation.
- True
  - Partly True
  - False
  - None of the above
68. Where consent is caused by Fraud or Misrepresentation, the aggrieved party can sue for damages.
- True
  - Partly True
  - False
- d. None of the above
69. Sohan induced Suraj to buy his motorcycle saying that it was in a very good condition. After taking the motorcycle, Suraj complained that there were many defects in the motorcycle. Sohan proposed to get it repaired and promised to pay 40% cost of repairs after a few days. the motorcycle did not work at all. In this case, Suraj
- can rescind the contract
  - has affirmed to the contract and cannot rescind the contract
  - can return the motorcycle
  - all of the above
70. .... Is an erroneous belief about something?
- Representation
  - Mistake
  - Fraud
  - Misrepresentation
71. When one of the parties is under a mistake as to a matter of fact essential to the agreement, it is called
- Unilateral Mistake
  - Bilateral Mistake
  - Partial Mistake
  - Incomplete Mistake
72. Unilateral Mistake may relate to
- Subject matter
  - Understanding terms or legal effect of agreement
  - Neither (a) nor (b)
  - Both (a) and (b)
73. Erroneous opinion as to value of subject matter is not a Mistake of Fact.
- True
  - Partly True
  - False
  - None of the above
74. An old illiterate man was made to sign a bill of exchange, by means of a false representation that it was a guarantee. The contract is
- illegal
  - Valid
  - Void
  - Voidable

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

75. When both parties are under a mistake as to a matter of fact essential to the agreement, it is called as
- Unilateral Mistake
  - Bilateral Mistake
  - General Mistake
  - Total Mistake
76. Section ..... of the Indian Contract Act deals with "Bilateral Mistake".
- 19
  - 20
  - 21
  - 22
77. Bilateral mistake may relate to
- Subject Matter
  - Possibility of performance
  - Neither (a) nor (b)
  - Both (a) and (b)
78. Bilateral Mistake as to fact renders an agreement void since
- There is no consideration
  - Agreements is unlawful
  - There is no agreement
  - It is opposed to public policy
79. A agrees to sell his horse to B. But unknown to both the parties, the horse had already died at the time of making of the contract. The contracts is
- Void
  - Valid
  - Voidable
  - Illegal
80. A wrote to B inquiring price of rifles suggesting that he might buy as many as 50. On receipt of information he telegraphed, "Send three rifles" Due to telegraphic mistake, message was transmitted as "Send the rifles". B dispatched 50 rifles. In this case
- There is no contract
  - There is a valid contract
  - A has to accept the loss on 50 rifles
  - A has to accept the loss on 3 rifles
81. A contracted to take on rent, a property for viewing the coronation procession of the King. Unknown to the parties, the procession had already been cancelled. The contract is void due to
- Mistake as to Physical Impossibility
  - Mistake as to Legal Impossibility
  - Object being opposed to public policy
  - All of the above
82. A contract to do a certain act which is not permitted by law, is void in itself.
- True
  - Partly True
  - False
  - None of the above
83. The maxim "Ignorantia juris non excusa" stands for
- Law will not punish ignorant people
  - Law will punish illiterate people
  - Ignorance people can excuse law
  - Ignorance of law of land is no excuse
84. A had two scooters, one black and the other white, and offered to sell his black scooter to B for Rs 12,000. B accepted the offer believing it to be for white. In this case, no contract arises between A and B as there is no
- Consensus ad idem
  - error in consensus
  - error in causa
  - both (a) and (b)
85. The case of 'no consent' i.e. when there is no consent at all, are described by Salmond as
- error in causa
  - error in consensus
  - consensus ad idem
  - offer and acceptance
86. initio because of complete absence of consent
- Where there is error as to the nature of the contract
  - Where there is error as to the identity of the parties
  - Where there is error as to the subject matter of the contract
87. threatening to commit any act forbidden by IPC amounts to coercion under Section 15, if such act is done with the intention of
- causing the other party to enter into contract
  - injuring the other party
  - causing loss to the other party
  - All of the above

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

- 88.** Unlawful detaining or threatening to detain any property amounts to coercion under Section 15, if such act is done with the intention of
- causing the other party to enter into contract
  - injuring the other party
  - causing loss to the other party
  - All of the above
- 89.** The threatening act amounting to coercion
- Must be initiated by a party to the contract only
  - Must be initiated by a stranger only
  - May be initiated by a party or by any person, even by a stranger
  - Must be initiated by both the party as well as stranger
- 90.** The threatening act amounting to coercion
- Must be directed against the party to contract
  - Must be directed against stranger only
  - Both (a) and (b)
  - May be directed against the party or against any person who is not a party
- 91.** Threat to commit suicide amount to
- Fraud
  - Coercion
  - Undue influence
  - Offence under IPC
- (i) and (ii)
  - (ii) and (iii)
  - (iii) and (iv)
  - (ii) and (iv)
- 92.** Threat to detain property in unlawful manner amount as
- Fraud
  - Coercion
  - Mistake
  - All of the above
- 93.** Undue influence is a kind of
- Mental
  - Physical
  - Both (a) and (b)
  - None of the above
- 94.** Which of the following is not an essential element of undue influence?
- One party must be in a position to dominate the will of the other party
  - The dominant party must use his dominant position to obtain an unfair advantage over the other party
  - The dominant party must obtain an unfair advantage over the other party
  - 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
- 95.** A party is presumed to dominate the will of another, where he
- holds a real or apparent authority over the other
  - makes a contract with another in mental distress
  - Both (a) and (b)
  - None of the above
- 96.** A party is presumed to dominate the will of another, where he
- holds a real or apparent authority over the other
  - stands in a fiduciary relation to the other
  - Both (a) and (b)
  - None of the above
- 97.** The fiduciary relations means the relationship of
- trust and confidence
  - master and servant
  - none of the above
  - both (a) and (b)
- 98.** Which of the following relations fall in the category of 'fiduciary relations' and usually raise the presumption of undue influence?
- Solicitor and client
  - doctor and patient
  - spiritual adviser and devotee
- 99.** Which of the following relations do not fall in the category of 'fiduciary relationship and thus does not raise the presumption of undue influence?
- solicitor and client
  - doctor and patient
  - spiritual adviser and devotee
  - None of the above
- 100.** Which of the following relations do not fall in the category of fiduciary relationship and thus dose not raise the presumption of undue influence?
- Parent and child

**Panchakshari's Professional Academy**  
**CA CPT Law Practice Sheet**

- b. Trustee and beneficiary
  - c. Landlord and tenant
  - d. Woman and her confidential managing agents
- 101.** Contracts with a pardanashin woman raises the presumption of
- a. domination of will
  - b. undue influence
  - c. fraud
  - d. None of the above
- 102.** 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
  - b. weaker party
  - c. court to prove the undue influence
  - d. None of the above
- 103.** 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 the above
  - d. None of the above
- 104.** When both the parties to an agreement have different subject-matter in mind, the agreement is
- a. not void
  - b. void
  - c. voidable
  - d. valid
- 105.** When contract entered into by way of unilateral mistake is void?
- a. Mistake as to identity of the parties to an agreement
  - b. Mistake as to nature of the agreement
  - c. None of the above
  - d. Either (a) or (b)
- 106.** A, by fraudulent representation, got signed a gift deed from B in his favour representing it to be a power of attorney. The gift deed is
- a. valid
  - b. voidable
  - c. void
  - d. illegal
- 107.** A, intending to deceive B, falsely represents that 500 bags are made daily at his factory, and thereby induces B to buy the factory. The contract is
- a. voidable at the option of B
  - b. voidable at the option of A
  - c. void
  - d. none of the above
- 108.** The husband asks his wife that he would commit suicide, if she does not give him her ornaments.
- a. The contract can be avoided by the wife
  - b. The contract is void
  - c. The husband can enforce the contract
  - d. Both (b) and (c)
- 109.** A agrees to sell a horse worth Rs 20,000 for Rs 100. A's consent to the agreement was freely given.
- a. This is a valid contract
  - b. This is a void contract
  - c. This is a voidable contract
  - d. This is an illegal contract