

MCQs on Indian Contract Act 1872 (1)

1. The Indian Contract Act came into force on:

- (a) 15th September, 1872
- (b) 1st September, 1872
- (c) 1st October, 1872
- (d) 15th October, 1872.

2. The Indian Contract Act, applies to the:

- (a) Whole of India excluding Jammu & Kashmir
- (b) Whole of India including Jammu & Kashmir
- (c) States notified by the Central Government from time to time
- (d) None of the above. Answer:

3. An agreement consists of reciprocal promises between at least

- (a) four parties.
- (b) six parties.
- (c) three parties.
- (d) two parties.

4. Every promise and every set of promise forming the consideration for each other is a/an

- (a) contract.
- (b) agreement.
- (c) offer.
- (d) acceptance.

5. Contract is defined as an agreement enforceable by law, vide Section ... of the Indian Contract Act.

- (a) Section 2(e)
- (b) Section 2(f)
- (c) Section 2(h)
- (d) Section 2(i)

6. Valid contracts

- (a) are made by free consent.
- (b) are made by competent parties.
- (c) have lawful consideration and lawful object.
- (d) all of the above.

7. A contract creates

- (a) rights and obligations of the parties to it.
- (b) obligations of the parties to it.
- (c) mutual understanding between the parties to it.
- (d) mutual lawful rights and obligations of the parties to it.

8. In agreements of a purely domestic nature, the intention of the parties to create legal relationship is

- (a) to be proved to the satisfaction of the court.
- (b) presumed to exist.
- (c) required to the extent of consideration.
- (d) not relevant at all.

9. is forbidden by law.

- (a) Valid contract
- (b) Illegal agreement
- (c) Voidable contract
- (d) Unenforceable contract

10. A makes a contract with B to beat his business competitor. This is an example of

- (a) valid contract.
- (b) illegal agreement.
- (c) voidable contract.
- (d) unenforceable contract.

11. Which of the following legal statement is incorrect?

- (a) An agreement enforceable by law is a contract [Section 2]
- (b) All agreements are contracts [Section 10]
- (c) A proposal when accepted becomes a promise [Section 2]
- (d) Every promise and every set of promise forming the consideration for each other is an agreement [Section 2(e)]

12. is made by words written.

- (a) Express contract
- (b) Implied contract
- (c) Tacit contract
- (d) Unlawful contract

13. Agreement the meaning of which is uncertain is

- (a) Void
- (b) Valid
- (c) Voidable
- (d) Illegal Answer:

14. Which of the following relationship raise presumption of positive influence?

- (a) Parent and Child
- (b) Religious/ Spiritual Guru and disciple
- (c) Guardian and Ward
- (d) All of the above

15. Which of the following is false with respect to minor entering a contract?

- (a) An agreement with or by a minor is void ab initio
- (b) A minor can be a beneficiary of a contract
- (c) The contracts involving a minor as a beneficiary may be enforced at the option of the third party
- (d) A minor cannot ratify a contract on attaining majority

16. Drawing cash from ATM, sale by fall of hammer at an auction sale, etc., are example of

- (a) express contract.
- (b) implied contract.
- (c) tacit contract.
- (d) unlawful contract.

17. is a one-sided contract in which only one party has to perform his promise or obligation.

- (a) Void contract
- (b) Illegal agreement
- (c) Unilateral contract
- (d) Bilateral contract

18. All Contract is a/an

- (a) Offer
- (b) Agreement
- (c) Acceptance
- (d) Transaction

19. A/an is every Promise and every set of promises , forming consideration for each other

- (a) Offer
- (b) Agreement
- (c) Acceptance
- (d) Transaction

20. Every agreement and promise enforceable by law is

- (a) Offer
- (b) Contract
- (c) Acceptance
- (d) Consideration

21. “A Contract is an agreement creating and defining obligations between the parties” the definition was put forwarded by

- (a) Dr. Ambedkar
- (b) Pollock
- (c) Salmonds
- (d) N.D.Kapoor

22. The Law of Contract is nothing but

- (a) A Child of Commercial dealing
- (b) A Child of Religion
- (c) A Child of day to day Politics
- (d) A Child of Economics.

23. To form a valid contract, there should be atleast

- (a) Two parties
- (b) Three parties
- (c) Four parties
- (d) Five parties.

24. Contractual rights and duties are created by

- (a) State
- (b) Statute
- (c) Parties
- (d) Custom or Usage.

25. Agreement is defined by the section of the Indian Contract Act, 1872.

- (a) Section 2(c)
- (b) Section 2(e)
- (c) Section 2(g)
- (d) Section 2(i)

26. As per section 2(e) of the Indian Contract Act, "Every Promise and every set of promise forming the consideration for each other is a/an

- (a) Contract
- (b) Agreement
- (c) Offer
- (d) Acceptance

27. A promises to deliver his watch to B and, in return, B Promise to pay a sum of ` 2,000. There is said to be a/ an

- (a) Agreement
- (b) Proposal
- (c) Acceptance
- (d) Offer

28. An Agreement is

- (a) Offer
- (b) Offer+ Acceptance
- (c) Offer + Acceptance + Consideration
- (d) Contract

29. A Contract is

- (a) A promise to do something or abstain from doing something.
- (b) A communication of intention to do something or abstain from doing something
- (c) A set of promises.
- (d) An agreement enforceable by law.

30. Contract is defined as an agreement enforceable by Law, vide section of the Indian Contract Act.

- (a) Section 2(e)
- (b) Section 2(f)
- (c) Section 2(h)
- (d) Section 2(i)

31. The offer must be

- (a) Conditional
- (b) Temporary
- (c) Definite
- (d) all of the above

32. A contract is made where:

- (a) A buys a book from a shop
- (b) X bids at a public auction.
- (c) X agrees with Y to discover a treasure by magic
- (d) Z agrees to attend the birthday party of his friend

33. Parol contracts are also know as

- (a) Simple Contract
- (b) Format Contract
- (c) Void Contract
- (d) Conditional contract

34. An offer made by words spoken or written is called:

- (a) Implied offer
- (b) Express offer
- (c) Formal agreement
- (d) Informal agreement

35. A tender is

- (a) an offer
- (b) invitation to an offer
- (c) acceptance of offer
- (d) none of the above

36. An offer stands revoked

- (a) If the fact of the death or insanity is known to offeree
- (b) By counter offer
- (c) By rejection of offer
- (d) All the above

37. For an acceptance to be valid, it must be

- (a) Partial & qualified
- (b) Absolute & unqualified
- (c) Partial & unqualified
- (d) Absolute & qualified

38. Acceptance takes place as against the proposer, when

- (a) When the letter of acceptance is posted by the acceptor
- (b) When the letter of acceptance is received by the proposer
- (c) When the offeree, writes the letter of acceptance, but doesn't post it
- (d) All the above

39. Communication of offer is complete when

- (a) The letter is posted to the offeree
- (b) The letter is received by the offeree
- (c) The offer is accepted by the person to whom it is made
- (d) It comes to the knowledge of the offeror that the letter has been received by the offeree

40. The communication of a proposal is complete when it comes to

- (a) The knowledge of that person
- (b) The object of the offer
- (c) The intention with which offer is made
- (d) The facts underlying the offer

41. Which of the following is false? An offer to be Valid must

- (a) Contain a term the non- compliance of which would amount to acceptance.
- (b) Intend to create legal relations.
- (c) Have certain and unambiguous terms.
- (d) Be communicated to the person to whom it is made.

42. Over a cup of coffee in a restaurant, X Invites Y to dinner at his house on a Sunday. Y hires a taxi and reaches X's house at the appointed time , but x fails to perform his promise. Can Y recover any damages from X?

- (a) Yes, as y has suffered
- (b) No, as the intention was not to create legal relation.
- (c) Either (a) or (b)
- (d) None of these.

43. Which one of the following is the best statement about the Indian Contract Act?

- (a) It is an exhaustive code containing the entire law of contract.
- (b) It is an Act to amend certain parts of the law relating to contracts
- (c) It is an Act to define certain parts of the law relating to contracts and contains only the general principles of contract.
- (d) It is not an exhaustive code containing the entire law of contracts being an Act to define and amend certain parts of law relating to contract.

44. Which of following is a contract?

- (a) A engages B for a certain work and promises to pay such remuneration as shall be fixed. B does the work.
- (b) A and B promise to marry each Other.
- (c) A takes a Seat in a public vehicle
- (d) A invites B to a card party. B accepts the invitation.

45. For binding contract both the parties to the contract must:

- (a) Agree with each other.
- (b) Put the offer and counter offers.
- (c) Stipulate their individual offer
- (d) Agree upon the same thing in the same sense.

46. Which one of the following has the correct sequence.

- (a) Offer, acceptance, consideration, offer.
- (b) Offer, acceptance , consideration, contract
- (c) Contract, acceptance, consideration, offer.
- (d) Offer, consideration, acceptance, contract.

47. Goods displayed in a Shop window with a price label will amount to:

- (a) Offer
- (b) Acceptance of offer
- (c) Invitation to offer
- (d) Counter offer

48. What can a catalogue of books, listing price of each book and specifying the place where the listed books are available be termed as?

- (a) An offer
- (b) An obligation
- (c) An invitation to offer
- (d) A promise to make available the books at the listed place.

49. Which one of the following statement about a valid acceptance of an offer is incorrect?

- (a) Acceptance should be absolute and unqualified.
- (b) Acceptance should be in the prescribed manner
- (c) Acceptance should be communicated
- (d) Acceptance should be made while the offer is subsisting

50. A Counter offer is

- (a) A rejection of the original offer
- (b) An acceptance of the offer
- (c) A bargain
- (d) An invitation to treat

51. A person making a proposal is called

- (a) Promisor
- (b) Vendor
- (c) Contractor
- (d) Promise

52. Which one of the following will constitute a valid acceptance?

- (a) An enquiry as to fitness of the subject matter of contract.
- (b) A provisional acceptance
- (c) Addition of a superfluous term, while accepting an offer.
- (d) A conditional acceptance.

53. Which one of the following statement is true?

- (a) Offer and acceptance are revocable
- (b) Offer and acceptance are irrevocable
- (c) An offer can be revoked but acceptance cannot
- (d) An offer cannot be revoked but acceptance can be revoked.

54. The Communication of acceptance through telephone is regarded as complete when:

- (a) Acceptance is spoken on phone.
- (b) Acceptance comes to the knowledge of party proposing.
- (c) Acceptance is put in course of transmission.
- (d) Acceptance has done whatever is required to be done by him.

55. Which one of the following falls into the category of offer?

- (a) Newspaper advertisement regarding sale.
- (b) Display of goods by a shopkeeper in his window with prices marked on them
- (c) An advertisement for a concert.
- (d) Announcement of reward to the public.

56. A sees an article marked "Price Rupees Twenty" in B's shop .He offers B ` 20 for the article. B refuses to sell saying the article is not for sale. Advice A.

- (a) A cannot force B to sell the article at ` 20
- (b) A can force B to sell the article at ` 20
- (c) A can claim damages
- (d) A can sue B in the Court.

57. Which one of the following statement is incorrect?

- (a) Oral acceptance is a valid acceptance.
- (b) Mere silence is not acceptance
- (c) Acceptance must be communicated
- (d) Acceptance may not be in the prescribed manner

58. Consider the following statement:

- (1) There is no difference between the English Law and Indian Law with regard to acceptance through post.
- (2) Both Under the English Law and the Indian Law a contract is concluded when the letter of acceptance is posted.
- (3) Under the Indian Law when the Letter of acceptance is posted it is completed only as against the proposer.

Which of the above statement is/are correct?

- (a) 1 and 2
- (b) 2 alone
- (c) 3 alone
- (d) None

59. In Commercial and business agreements, the intention of the parties to create legal relationship is

- (a) Presumed to exist
- (b) To be specifically expressed in writing
- (c) Not relevant or all
- (d) Not applicable.

60. An agreement is a Voidable Contract when it is

- (a) Enforceable
- (b) Enforceable by Law at the option of the aggrieved party
- (c) Enforceable by both the parties
- (d) Not enforceable at all.

61. A Contract creates.....

- (a) Rights in personam
- (b) Rights in rem
- (c) Only rights and no obligations
- (d) Only Obligations and no rights.

62. An agreement not enforceable by Law is said to be void under section of the Indian Contract Act.

- (a) Section 2(a)
- (b) Section 2(b)
- (c) Section 2(f)
- (d) Section 2(g)

63. When the contract is perfectly valid in its substance but cannot be enforced because of certain technical defects. This is called a/ an-

- (a) Unilateral Contract
- (b) Bilateral Contract
- (c) Unenforceable Contract
- (d) Void Contract

64. The term "Proposal or offer" has been defined in - of the Indian contract Act.

- (a) Section 2(a)
- (b) Section 2(b)
- (c) Section 2(c)
- (d) Section 2(d)

65. The term "Promise" has been defined in of the Indian Contract Act.

- (a) Section 2(a)
- (b) Section 2(b)
- (c) Section 2(c)
- (d) Section 2(d)

66. The person making the proposal is called

- (a) Promisor
- (b) Promisee
- (c) Participator
- (d) Principal

67. Offer implied from conduct of parties or from circumstances of the case is called

- (a) Implied offer
- (b) Express offer
- (c) General offer
- (d) Specific offer

68. An offer made to a (i) Specific person, or (ii) a group of persons is known as

- (a) Standing offer
- (b) Specific offer
- (c) Special offer
- (d) Separate offer

69. Communication of proposal is complete when it comes to the knowledge of

- (a) The person to whom it is made
- (b) The proposer
- (c) Either (a) or (b)
- (d) The Court.

70. Terms of an offer must be

- (a) Ambiguous
- (b) Uncertain
- (c) Definite
- (d) Vague

71. Offer should not contain a term, the non- Compliance of which would amount to acceptance. This statement is

- (a) True
- (b) Partly True
- (c) False
- (d) None of the above

72. When two persons make identical offers to each other, in ignorance of each other's offer, it is called

- (a) Cross offers
- (b) Implied offers
- (c) Direct offers
- (d) Express offers.

73. An offer is revoked

- (a) By the death or insanity of the proposer
- (b) By Lapse of time
- (c) By Communication of notice of revocation
- (d) All of these

74. Acceptance in ignorance of the offer is

- (a) Valid
- (b) Invalid
- (c) Void
- (d) Voidable

75. Acceptance should be given within

- (a) The time specified by the Offerer
- (b) A reasonable time
- (c) Such time as the offer lapses
- (d) All of the above

76. An acceptance on telephone should be

- (a) Heard by the offeror
- (b) Audible to the offeror
- (c) Understood by the offeror
- (d) All of the above.

77. Section --- of the Indian Contract Act defines "Consideration".

- (a) Section 2(a)
- (b) Section 2(b)
- (c) Section 2(d)
- (d) Section 2(c)

78. Consideration must move at the desire of

- (a) The promisor
- (b) The promisee
- (c) The promisor or any third party
- (d) Both the promisor and the promisee

79. Consideration in a contract:

- (a) May be past, present or future
- (b) May be present or future only
- (c) Must be present only (d)
- (d) Must be future only.

80. Past Consideration is valid in -

- (a) England Only
- (b) India Only
- (c) Neither in England nor in India
- (d) both in England and India

81. Agreement without consideration is valid, when made

- (a) Out of love and affection due to near relationship
- (b) To pay a time barred debt
- (c) To compensate a person who has already done something voluntarily
- (d) All of the above

82. If only a part of the consideration or object is unlawful, the Contract is

- (a) Valid to the extent the same are lawful
- (b) Void to the extent the same are unlawful
- (c) Valid as a whole
- (d) Void as a whole.

83. The expression "Privity of contract" means

- (a) A Contract is Contract between the parties only
- (b) A Contract is a private document
- (c) Only private documents can be contracts
- (d) The contacts may be expressed in some usual and reasonable manner.

84. Under the Indian Contract Act, a third person

- (a) Who is the beneficiary under the Contract can sue
- (b) From whom the consideration has proceeded can sue
- (c) Can not sue even if the consideration has proceeded from him.
- (d) Can not sue at all for want of privity of contract.

85. In India, a person who is stranger to the Consideration.

- (a) Can sue based on the Contract
- (b) Can not sue based on the Contract
- (c) Can sue depending on the Conditions
- (d) Can sue if permitted by the court.

86. Capacity to Contract has been defined in

- (a) Section 10
- (b) Section 11
- (c) Section 12
- (d) Section 25

87. Competency to Contract means

- (a) Age of the parties
- (b) Soundness of mind of the parties
- (c) Both (a) and (b)
- (d) Intelligence of the parties.

88. Which of the following is not Competent to Contract?

- (a) A minor
- (b) A person of unsound mind
- (c) A person who has been disqualified from contracting by some Law
- (d) All of these

89. A minor's agreement is void .This was held in the case of

- (a) Mohiri Bibee V. Dharmadas Ghosh
- (b) Nihal Chand V. Jan Mohamed khan
- (c) Suraj Narain V. Sukhu Aheer
- (d) Chinnaiya V. Ramaiya.

90. The age of majority for the purpose of the Indian Contract Act is

- (a) 16 years for girls & 18 years for boys
- (b) 18 years for girls & 21 years for boys
- (c) 18 years
- (d) 21 years.

91. are goods suitable to the condition in the life of the minor, and to his actual requirements at the time of sale and delivery.

- (a) Necessaries
- (b) Goods
- (c) Life Style Products
- (d) Luxuries.

92. “ Consensus - ad - idem” means

- (a) General Consensus
- (b) Meeting of minds upon the same thing in the same sense
- (c) Reaching an agreement
- (d) Reaching of contract

93. A Contract which is formed without the free consent of parties, is

- (a) Valid
- (b) Illegal
- (c) Voidable
- (d) Void ab- initio

94. Contracts under unilateral mistake are if such mistake is caused by the fraud or misrepresentation of the other party.

- (a) Valid
- (b) Void
- (c) Illegal
- (d) Unenforceable

95. Mistake as to foreign law is treated in the same manner as

- (a) Mistake of India Law
- (b) Mistake of Fact
- (c) Misrepresentation
- (d) Fraud

96. If an agreement suffers from any uncertainty. It is

- (a) Voidable
- (b) Void
- (c) Unenforceable
- (d) Illegal.

97. All illegal agreements are

- (a) Void- ab- initio
- (b) Valid
- (c) Contingent
- (d) Enforceable

98. A promise to give money or money's worth upon the determination or ascertainment of an uncertain event is called

- (a) Wagering Agreement
- (b) Unlawful Agreement
- (c) Illegal Agreement
- (d) Voidable Agreement

99. In the States of Gujarat and Maharashtra, collateral transactions to a wagering agreement are

- (a) Voidable
- (b) Illegal and Void
- (c) Valid and Enforceable
- (d) Contingent

100. A Contingent Contract is a contract to do, or not to do something if some event, collateral to such contract

- (a) happens
- (b) does not happen
- (c) Neither (a) nor (b)
- (d) Either (a) or (b)

101. Which of these parties cannot demand performance of promise?

- (a) Promisee
- (b) Any of the Joint Promisees.
- (c) On the death of a Promisee, his Legal Representative.
- (d) Stranger to the Contract

112. If a new contract is substituted in place of an existing contract it is called -

- (a) Alteration
- (b) Rescission
- (c) Novation
- (d) Waiver

113. The phrase “Quantum Meruit” literally means -

- (a) As much as is earned
- (b) The fact in itself
- (c) A Contract for the sale
- (d) As much as is gained.

114. Damages awarded to compensate the injured party for the actual amount of loss suffered by him for breach of contract are called -

- (a) General / Ordinary Damages
- (b) Special Damages
- (c) Vindictive Damages
- (d) Nominal Damages

115. A finder of lost goods is a

- (a) Bailor
- (b) Bailee
- (c) True Owner
- (d) Thief.

116. Which of the following is the essential ingredient of contract of indemnity:

- (a) Contract to make good the loss
- (b) Loss must be caused to the indemnity holder.
- (c) Loss may be caused by promiser or any other person
- (d) All of the above.

117. When the goods are delivered by one to another by way of security for the money borrowed, then it is technically known as:

- (a) Hire
- (b) Pawnee
- (c) Pledge
- (d) None of the above.

118. How agency is created:

- (a) By Direct appointment
- (b) By implication
- (c) By necessity
- (d) All of the above

119. The Delivery of goods by one person to another as security for the payment of a debt is called

- (a) Bailment
- (b) Pledge
- (c) Mortgage
- (d) Hypothecation

120. An agreement enforceable by law is a

- (a) Promise
- (b) Contract
- (c) Obligation
- (d) Lawful Promise

121. A contract is a combination of two elements

- (a) An Agreement & An Promise
- (b) An Agreement & An Obligation
- (c) A Promise & An Obligation
- (d) An offer & An Acceptance

122. A proposal when accepted becomes a

- (a) Promise
- (b) Contract
- (c) Acceptance
- (d) Agreement

123. A void agreement is one which is

- (a) Valid but not enforceable
- (b) Enforceable
- (c) Enforceable by one party
- (d) Not enforceable in law

124. Agreement which are not contracts

- (a) Mr. A purchases goods from Mr. B.
- (b) Avanshu supplies goods to Mohit's firm.
- (c) An agreement for watching cinema.
- (d) None of the above

125. Which one is correct

- (a) All contracts are agreements
- (b) All agreements are contracts
- (c) All agreements are not contracts
- (d) Both (a) & (c)

126. An agreement which is enforceable by law at the option of one party

- (a) Valid contract
- (b) Void contract
- (c) Voidable contract
- (d) Illegal contract

127. Which of the following is false? An offer

- (a) Must be clear, definite, final & complete
- (b) Can be vague
- (c) Must be communicated
- (d) May be general or specific

128. An offer may lapse by

- (a) Revocation
- (b) Counter offer
- (c) Rejection by offeree
- (d) All of the above

129. Which of the following is false? An acceptance

- (a) Must be communicated
- (b) Must be absolute
- (c) Must be unconditional
- (d) May be presumed from silence of offeree

130. In case of illegal agreements, the collateral agreements are

- (a) Valid
- (b) Void
- (c) Voidable
- (d) None of the above

131. An offer by post may be accepted by

- (a) Post
- (b) Over telephones
- (c) Both (a) & (b)
- (d) None of the above

132. An offer is made only when

- (a) The letter is posted
- (b) Letter reaches the offeree
- (c) Offeree post his acceptance
- (d) None of the above

132. Which of the following is true?

- (a) Consideration must result in benefit to both party
- (b) Past consideration is no consideration in India
- (c) Consideration is adequate
- (d) Consideration must be something, which a promisor is not bound to do

134. Which of the following statement is false in respect of 'Consideration'?

- (a) Must move at desire of the promiser
- (b) May move from any person
- (c) Must be illusory
- (d) Must be of some value

135. Which of the following is true?

- (a) There can be a stranger to a contract
- (b) There can be a stranger to a consideration
- (c) There can be a stranger to contract & consideration
- (d) None of above

136. Consideration in simple term means

- (a) Anything in Return
- (b) Something in Return
- (c) Everything in Return
- (d) Nothing in Return

137. Which of the following statement is false

- (a) Generally, a stranger to a contract cannot sue
- (b) A verbal promise to pay a time barred debt is valid
- (c) Completed gifts need no consideration
- (d) No consideration is necessary to create an agency.

138. A Gratuitous Promise can

- (a) Be enforced
- (b) Not be enforced
- (c) Be enforced in court of law
- (d) None of above

139. Ordinarily, a minor's agreement is

- (a) Void ab initio
- (b) Voidable
- (c) Valid
- (d) Unlawful

140. A minor's liability for 'necessaries' supplied to him

- (a) Arises after he attains majority age
- (b) Is against only minor's property
- (c) Does not arise at all
- (d) Arises if a minor promises for it.

141. Which of the following statement is not true about minor's position in a firm?

- (a) He cannot become a partner
- (b) He can become a partner
- (c) He can be admitted only to the benefits
- (d) He can become a partner after majority attaining

142. Which of the following statement is true?

- (a) A contract with a minor is voidable at option of minor
- (b) An agreement with a minor can be ratified after he attains majority
- (c) A person who is usually of unsound mind cannot enter into a contract when he is of sound mind
- (d) A person who is usually of sound mind cannot enter into a contract when he is of unsound mind

143. When the consent of both the parties is given by mistake, the contract is

- (a) Void
- (b) Valid
- (c) Voidable
- (d) Illegal

144. The contract is void on account of bilateral mistake of fact, but if there is a mistake of only one party, then contract is

- (a) Void
- (b) Valid
- (c) Voidable
- (d) Illegal

145. A contract made by mistake about Indian law is

- (a) Void
- (b) Valid
- (c) Voidable
- (d) Illegal

146. A contract made by mistake about some foreign law, is

- (a) Void
- (b) Valid
- (c) Voidable
- (d) Illegal

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

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

148. In case of innocent misrepresentation

- (a) Contract become voidable and damages are payable
- (b) Contract become voidable and damages are not payable
- (c) Contract become valid and damages are payable
- (d) Contract remains valid and damages are not payable.

149. In case of wilful misrepresentation or fraud

- (a) Contract becomes voidable & damages are payable
- (b) Contract become voidable & damages are not payable
- (c) Contract become void & damages are payable
- (d) Contract become void & damages are not payable.

150. Consent is not said to be free when it is caused by

- (a) Coercion
- (b) Undue influence
- (c) Fraud
- (d) All of above

151. When the consent of a party is obtained by fraud, the contract is

- (a) Void
- (b) Voidable
- (c) Valid
- (d) Illegal

152. Moral pressure is involved in case of

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

153. Which of the following statement is true?

- (a) A threat to commit suicide does not amount to coercion
- (b) Undue influence involves use of physical pressure
- (c) Ignorance of law is no excuse
- (d) Silence always amount to fraud

154. An agreement is void if it is opposed to public policy. Which of the following is not covered under heads of public policy?

- (a) Trading with enemy
- (b) Trafficking in public offences
- (c) Marriage brokerage contracts
- (d) Contracts to do impossible acts

155. Wagering means

- (a) Betting
- (b) Bidding
- (c) Both (a) & (b)
- (d) None of above

156. An agreement in restraint of marriage, i.e. agreement preventing a person from marrying is

- (a) Valid
- (b) Voidable
- (c) Void
- (d) Contingent

157. An agreement in restraint of marriage is valid in case of following persons

- (a) Minors
- (b) Educated
- (c) Married
- (d) None of above

158. In India, wagering agreements are void except in

- (a) Kanpur
- (b) Mumbai
- (c) Delhi
- (d) None of the above

159. If any party has received any benefit under a contract from the other party, he must restore it or make compensation to other party. It is the case if

- (a) Quantum meruit
- (b) Restitution
- (c) Consideration
- (d) Quasi-contract

160. The basis of quasi contractual relation is the

- (a) Existence of a valid contract between parties
- (b) Prevention of unjust enrichment at expense of other
- (c) Provision contained in section 10 of contract act
- (d) Existence of a voidable contract between the parties

161. A contingent contract is

- (a) Void
- (b) Voidable
- (c) Valid
- (d) Illegal

162. A contract is said to be discharged or terminated

- (a) When the rights and obligation are completed
- (b) When the contract becomes voidable
- (c) Both (a) & (b)
- (d) None of the above

163. Which is not the mode of discharge of contract

- (a) Performance of contract
- (b) Lapse of time
- (c) Breach of contract
- (d) Injunction

164. A person finds certain goods belonging to some other persons. In such a case, the finder

- (a) Becomes the owner of that good
- (b) Is under a duty to trace the real owner
- (c) Can sell that good if true owner is not found
- (d) Both (b) & (c)

165. If in a contract, the time lapses and if the party fails to perform the contract within specified time the contract becomes

- (a) Voidable
- (b) Void
- (c) Illegal
- (d) Enforceable in the court

166. Change in one or more of the important terms in a contract, it is the case of

- (a) Novation
- (b) Rescission
- (c) Remission
- (d) Alternation

167. In both the cases, devolution of joint liabilities and devolution of joint rights, if a promisor dies, who will perform on behalf of him

- (a) Other promiser
- (b) His legal representation
- (c) Both (a) & (b)
- (d) None of the above

168. A contract which is impossible to perform is

- (a) Voidable
- (b) Void
- (c) Illegal
- (d) Enforceable

169. A party entitled to rescind the contract, loses the remedy where

- (a) He has ratified the contract
- (b) Third party has acquired right in good faith
- (c) Contract is not separable
- (d) All of the above

170. The special damages i.e. the damages which arises due to some special or unusual circumstances

- (a) Are not recoverable altogether
- (b) Are illegal being positive in nature
- (c) Cannot be claimed as a matter of right
- (d) Can be claimed as a matter of right