

S Y B Com Business Law (SEM III)

Module I

Indian Contract Act, 1872

State whether the following statements are “True” or “False” and give legal reason for your Answer.

1. Acceptance of an offer must be qualified or conditional.
False
2. Consideration to the contract need not be adequate.
False
3. Cross offer is different from counter offer.
True
4. All agreements form into contracts.
False
5. An agreement by minor is voidable.
False
6. Offer must be accepted before it is revoked.
True
7. Consideration is necessary in contract of Agency.
False
8. Voidable contract is enforceable at the option of one or other party.
False
9. Acceptance can be given partially.
False
10. An agreement can be ratified by minor on attaining the age of majority.
False
11. A person usually of sound mind, but occasionally of unsound mind, cannot enter into a contract when he is of unsound mind.
True
12. An agreement is a wider term than Contract.
False
13. An agreement enforceable by law is a promise.
False
14. All contracts are agreements but all agreements are not contracts.
True
15. An offer must be accepted before it Lapses
True
16. Acceptance can precede offer
False
17. Stranger to a contract cannot sue or be sued.
True
18. Alien enemy is disqualified by law to enter into a contract.
True
19. Ignorance of law of Land is excusable
False
20. In case of undue influence there is no relation between the parties
False

Answer the following multiple choice questions:

1. Which of the following is a valid offer

- a. proposal made jokingly
- b. declaration of Intention
- c. intention to create legal relation

2. An agreement enforceable by law is

- a. Promise
- b. Contract
- c. Offer

3. An offer is made to Mr Akhilesh in a crowd, then

- a. only he can accept that offer
- b. anyone from crowd can accept that offer
- c. he cannot accept

4. Communication of an offer is complete when

- a. the proposer makes the offer
- b. offeree accepts the offer
- c. offeree comes to know of offer

5. Acceptance can be

- a. Expressed
- b. Implied
- c. Both a and b

6. An advertisement regarding sale is

- a. an offer
- b. an invitation to the offer
- c. an intention to offer

7. An acceptance can precede offer

- a. False
- b. True
- c. Both

8. The contract entered by a lunatic person during the lucid period is

- a. valid
- b. void
- c. voidable

9. A minor is a person

- a. below 16 years
- b. below 18 years
- c. below 21 years

10. Mental pressure is exercised in case of

- a. fraud
- b. misrepresentation
- c. undue influence

11. Advertisements inviting Tenders are

- a. Offer
- b. Invitation to Offer
- c. Acceptance

12. When two people make identical offers to each other in ignorance of each others offer is called

- a. Counter Offer
- b. Implied Offer
- c. Cross Offer

13. Consideration can be in

- a. Cash
- b. Kind
- c. Both

14. A minor who enters into a contract during Minority can

- a. not ratify the same on attaining the age of Majority
- b. ratify the same on attaining the age of Majority
- c. choose to ratify or not on attaining the age of Majority

15. Which of the following is not disqualified by Law to enter into a contract

- a. Convict
- b. Insolvent
- c. Foreign national

16. A person is legally of sound mind provided he is

- a. able to understand the terms of contract
- b. can form a rational judgement
- c. both a &b

17. In case of act of coercion, the act is forbidden by

- a. Indian Contract Act.
- b. Indian Penal Code.
- c. Indian Constitution.

18. Mistake of fact can be of

- a. Only unilateral facts
- b. only Bilateral fact
- c. Both

19. When consent to a contract is not free

- a. contract is voidable
- b. contract is void
- c. contract is illegal

20. Misrepresentation is a false statement made

- a. intentionally
- b. innocently
- c. rationally