

1. Which of following result in an offer

- A. A declaration of intention
- B. An invitation to offer,
- C. An advertisement offering reward to anyone who finds lost dog of the advertise,
- D. An offer made in a joke.

2. An agreement made with an alien enemy is

- A. Unlawful on the ground of public policy
- B. Unlawful because it becomes difficult to be performed
- C. Valid,
- D. Voidable.

3. A contract to pay B Rs. 10,000 if B s house is burnt – This is a

- A. Wagering agreement
- B. Void
- C. Voidable agreement
- D. Contingent contract
- E. Contract of guarantee.

4. The case of Mohiri Bibi v. Dharmodas Ghose (1903) deals with

- A. Communication of offer
- B. Communication of acceptance
- C. A minors agreements
- D. Fraud
- E. A lunatic's agreement.

5. Each party is a promisor and a Promisee in case of –

- A. Past consideration
- B. Present consideration
- C. Every contract
- D. Reciprocal promises

6. The case of Taylor v. Caldwell (1883) deals with

- A. Discharge of contract by destruction of subject matter,
- B. Anticipatory breach of contract
- C. Discharge of contract by death of a party
- D. Breach of contract.

7. A promise made without the intention of performing it amounts to –

- A. Innocent misrepresentation
- B. Fraud
- C. Negligent Misrepresentation
- D. Wrongful misrepresentation

8. A minor , by misrepresenting his age , borrows some money –

- A. He can be sued for the fraud,
- B. He cannot be sued for the fraud
- C. He is liable to return the money
- D. None of the above.

9. If there is a fraudulent misrepresentation as to the contents of a document , the contract is –

- A. Void,
- B. Voidable,
- C. Valid
- D. Illegal

10. There is a counter offer when

- A. The offeree gives conditions for acceptance or introduces a fresh term in acceptance
- B. The offerer makes a fresh offer
- C. The offeree makes some query.
- D. The offeree accepts it.

11. An agreement made without consideration is

- A. Valid,
- B. Illegal,
- C. Voidable
- D. Void

12. On the face of the ticket for a journey the words — for conditions see back are printed in small print. The passenger _____

- A. Is bound by the conditions whether he takes care to read them or not.
- B. Is not bound by the conditions
- C. May not take note of the conditions
- D. None of the above.

13. A contract creates

- A. Rights in personam,
- B. Rights in rem,
- C. Only rights and no obligations,
- D. Only obligations and no rights.

14. A mere attempt at deceit by a party to a contract _____

- 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 misrepresentation
- D. None of the above.

15. If there is a fraudulent misrepresentation as to the character of a document , the contract is _____

- A. Void,
- B. Voidable,
- C. Valid
- D. Illegal

16. The case of Nordenfellt v. Maxim Nordenfellt Gun Co. (1904) deals with

- A. Agreement in restraint of legal proceedings,
- B. Minor's agreements
- C. Agreement in restraint of trade
- D. Agreement in restraint of marriage.

17. When promisee refuses to accept performance from the promisor who offers to perform, it is

- A. Attempted performance,
- B. Vicarious performance,
- C. Tender
- D. Frustration of contract.

18. Assignment by operation of law takes place _____

- A. By the mutual consent of parties
- B. By the will of either party
- C. When the subject matter of a contract ceases to exist.
- D. By the death of a party to a contract.

19. Where a contract could not be performed because of the default by a third person on whose work the promisor relied, it _____

- A. Is not discharged
- B. Is discharged
- C. Becomes void
- D. Becomes voidable.

20. Specific performance may be ordered by the court when _____

- A. The contract is voidable
- B. Damages are an adequate remedy
- C. Damages are not an adequate remedy
- D. The contract is uncertain.

21. A agreed to sell 100 shares to B at Rs. 75 per share. Delivery to be given on the 1st March, B refused to accept delivery on 1st March as price had gone down to Rs. 60 per share. Subsequently A sold these shares at Rs. 92 per share

- A. A cannot recover any damages from B

- B. A will have to restore to brs. 1700 i.e. The profit he made
- C. A caan recover dameges to be determined by the President of the stock exchange.
- D. B cannot recover any damages from A

22. A finder of lost goods is a

- A. Bailor
- B. Baile
- C. True owner
- D. Thief

23. A guarantee obtained by a creditor by keeping silence as to material circumstances is

- A. Valid
- B. Voidable
- C. Unenforceable
- D. Invalid

24. If a price is not determined by the parties in a contract of sale , the buyer is bound to pay

- A. The price demanded by the seller,
- B. A reasonable price
- C. The price which the buyer thinks is reasonable
- D. The price to be determined by a third independent person.

25. In case of breach of a warranty , the buyer can

- A. Repudiate the contract
- B. Claim damages only
- C. Return the goods
- D. Refuse to pay the price

26. Law of contract is

- A. Not the whole of agreements nor is it the whole law of obligations
- B. The whole law of agreements
- C. The whole law of obligations
- D. The part law of obligations

27. A specific offer can be accepted by

- A. Any person
- B. Any friend of offerer
- C. The person to whom it is made
- D. Any friend of offeree.

28. Consideration

- A. Must be adequate to the promise made,
- B. Need not be adequate to the promise made
- C. Must be of reasonable value
- D. Must be of more value than the value of promise made.

29. A promise to subscribe to a charity. The promise is a

- A. Valid contract,
- B. Voidable contract,
- C. Void agreement
- D. Void contract.

30. A contract by an idiot is

- A. Voidable
- B. Enforceable
- C. Invalid
- D. Void ab inito

31. If there is error in cause, the contract is

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

32. A contingent contract is

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

33. A lends Rs. 500 to B. He later tells B that he need not repay the amount, the contract is discharged by

- A. Breach
- B. Waiver
- C. Novation
- D. Performance

34. The measure of damages in case of breach of a contract is the difference between the

- A. Contract price and the market price at the date of breach
- B. Contract price and the maximum market price during the term of the contract
- C. Contract price and the price at which the plaintiff might have sold the goods,
- D. Contract price and the price fixed by court.

35. A minor has been supplied necessaries on credit

- A. He is not liable
- B. He is personally liable
- C. His estate is liable
- D. He is not personally liable

36. Any variance made without surety's consent in the terms of the contract between the principal debtor and the creditor discharges the surety

- A. As to transactions prior to variance
- B. Coffee
- C. As to transactions subsequent to variance
- D. As to all transactions

37. The doctrine of caveat emptor applies

- A. In case of implied conditions and warranties
- B. Coffee
- C. When the buyer does not intimate the purpose to the seller and depends upon his own skill and judgment
- D. When goods are sold by sample

38. A condition is a stipulation which is a

- A. Essential to the main purpose of contract of sale
- B. Not essential to the main purpose of contract of sale,
- C. Collateral to the main purpose of contract of sale
- D. None of the above.

39. A contract

- A. May be void as originally entered into
- B. May become void subsequent to its formation
- C. Cannot become void under any circumstances
- D. May become void at the will of party.

40. A letter of acceptance sufficiently stamped and duly addressed is put into course of transmission. There is

- A. A contract voidable at the option of acceptor
- B. A contract voidable at the option of offerer,
- C. No contract at all,
- D. A valid

41. Compromise of dispute claims

- A. Is a good consideration for a contract
- B. Is not a good consideration for a contract
- C. Results in a void agreement
- D. Is not permitted by law.

42. Contracts made before war with an alien enemy which are against public policy are

- A. Suspended and are revived after the war is over.
- B. Dissolved
- C. Not affected at all
- D. Void ab initio

43. 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. Misrepresentation
- B. Fraud
- C. Undue influence
- D. Coercion.

44. The Case of Cundy v. Lindsay (1878) deals with

- A. Coercion
- B. Undue influence
- C. Mistake as to the nature of transaction
- D. Mistake as regards identity

45. Promises forming consideration for each other are known as,

- (a) Independent promises
- (b) Dependent promises
- (c) Reciprocal promises.
- (d) Mutual promises

46. A contract has become more difficult of performance due to some un contemplated events or delays .The contract

- A. Is discharged
- B. Is not discharged
- C. Becomes void
- D. Becomes voidable.

47. The court may grant rescission where the contract is

- A. Voidable at the option of the plaintiff
- B. Void
- C. Unenforceable
- D. Illegal

48. Quantum meruit means

- A. A non gratuitous promise
- B. An implied promise
- C. As much as earned
- D. As much as is paid.

49. In a sale ,if the goods are destroyed , the loss falls on

- A. The buyer
- B. The seller
- C. Partly on buyer and partly on seller
- D. The seller if price has not been paid

50. The omission of the creditor to sue within the period of limitation

- A. Discharges the surety
- B. Does not discharge the surety
- C. Makes the contract of guarantee void
- D. Makes the contract of guarantee illegal.

51. The case of Satyabrata Ghose v. Mugneeram Bangur & co. (1954) deals with

- A. Agreement opposed to public policy
- B. Supervening impossibility
- C. Contract of guarantee
- D. Agency

52. A person enters into an agreement whereby he is bound to do something which is against his public or professional duty. The agreement is

- A. Void on the ground of public policy
- B. Valid
- C. Voidable
- D. Illegal

53. A minor enters into a contract for the purchase of certain necessities , in such case

- A. He is not personally liable to pay
- B. He is liable to pay
- C. His estate is liable to pay
- D. His guardian is liable to pay.

54. Flaw in a capacity to contract may arise from

- A. Want of consideration
- B. Unsoundness of mind
- C. Illegality of object
- D. Uncertainty of object.

55. I there is error in consensus , the agreement is

- A. Void
- B. Voidable
- C. Avoid
- D. Illegal

56. An agreement to do an impossible act is,

- A. Void
- B. Voidable
- C. Illegal
- D. Enforceable under certain circumstances.

57. When a party to a contract transfers his contractual rights to another, it is known as,

- A. Rescission of contract
- B. Waiver of contract

- C. Discharge of contract,
- D. Assignment of contract.

58. A creditor agrees with his debtor and a third party to accept that third party as his debtor .
The contract is discharged by,

- A. Performance
- B. Alteration
- C. Waiver
- D. Remission

59. Anticipatory breach of a contract takes place

- A. During the performance of the contract
- B. At the time when the performance is due.
- C. Before the performance is due
- D. At the time when the contract is entered into.

60. Exemplary damages are

- A. Allowed in case of dishonor of a cheque by a banker having sufficient funds
- B. The difference between the contract price and the market price
- C. Allowed where in case of breach of a contract , the plaintiff has not suffered any loss.
- D. None of these.

61. The unlawful detention of any property of a person to obtain his consent to a contract amounts to

- A. Misrepresentation
- B. Fraud
- C. Undue influence
- D. Coercion.

62. A person is usually of sound mind , but occasionally of sound mind

- A. He may enter in to a contract when he is of sound mind,
- B. He may not make a contract even when he is of sound mind

- C. He cannot enter into a contract at all.
- D. None of the above.

63. An offer is made to Mani in crowd It

- A. Can be accepted by him alone,
- B. May be accepted by any person who hears it.
- C. May be accepted by his brother
- D. May be accepted by his friends.

64. A person who is not party t a contract

- A. Cannot sue,
- B. Can sue,
- C. Can sue only in well recognized cases
- D. None of these.

65. The contractual capacity of a company is regulated by

- A. Its memorandum of association and the provisions of the companies act, 1956
- B. The terms of contract entered into with a third party
- C. Its articles of association
- D. Its prospectus.

66. Merely because a contract was caused by one of the parties to it being under a mistake as to a matter of fact , it is not

- A. Voidable
- B. Void
- C. Affected at all
- D. None of the above.

67. A wagering agreement is.

- A. Forbidden by law,

- B. Immoral,
- C. Opposed to public policy
- D. None of the above.

68. Where the debtor does not expressly intimate or where the circumstances attending on a payment do not indicate any intention, the creditor

- A. May apply it to any lawful debt due
- B. May apply it even to a time barred debt.
- C. Opposed to public policy
- D. None of the above.

69. A undertakes to paint a picture of B. He dies before he paints the picture. The contract

- A. Is discharged by death
- B. Becomes voidable
- C. Becomes voidable at the option of the legal representatives of A.
- D. Will have to be performed by the legal representatives of A.

70. A quasi contract

- A. Is a contract
- B. As an agreement
- C. Creates only legal obligation
- D. Is none of these

71. S and P go into a shop, S says to the shopkeeper, C let P have the goods and if he does not pay you, I will — This is a

- A. Contract of guarantee
- B. Contract of indemnity
- C. Wagering agreement
- D. Quasi contract

72. In a sale, the property in goods

- A. Is transferred to the buyer
- B. Is yet to be transferred to the buyer
- C. May be transferred at a future time
- D. Is transferred when goods are delivered to the buyer

E. Is transferred when the buyer pays the price

73. If a sale is by sample as well as by description , the implied condition is that the goods shall correspond with

- A. Sample
- B. Description
- C. Both sample and description
- D. Either sample or description.

74. In a sale , there is an implied condition on the part of the seller that he

- A. Has a right to sell the goods
- B. Is in possession of the goods
- C. Will have the right to sell
- D. Will acquire the goods

75. In case of a wrongful dishonour of a cheque by a banker having funds to the credit of the customer ,the court may award

- A. Ordinary damages,
- B. Nominal damages
- C. Exemplary damages
- D. Contemptuous damages.

76. An agreement is a voidable contract when it is

- A. Enforceable if certain conditions are fulfilled.
- B. Enforceable bylaw at the option of the aggrieved party.
- C. Enforceable by both parties d)not enforceable at all.
- D. An agreement not enforceable by law is said to be

77. Acceptance may be revoked by the acceptor

- A. At any time
- B. Before the letter of acceptance reaches the offerer
- C. After the letter of acceptance reaches the offeree
- D. Before the death of the acceptor.

78. Consideration must move at the desire of

- A. The promisor,
- B. The promisee,
- C. Promisor or any other third party,
- D. Both the promisor and the promisee.

79. On attaining the age of majority a minor's agreement

- A. Can be ratified by him
- B. Cannot be ratified by him
- C. Becomes void
- D. Becomes valid.

80. When consent to an agreement is obtained by undue influence, the agreement is a

- A. Contract voidable at the option of the party whose consent was so obtained
- B. Void contract.
- C. Valid contract
- D. Void agreement.

81. An agreement the meaning of which is not certain, is

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

82. Owing to a strike in the factory of A, he is not able to supply the goods to B as per the terms of the agreement > The agreement in such a case

- A. Is discharged
- B. Is not discharged
- C. Becomes void
- D. Is voidable at the option of A.

83. When an agreement is discovered to be void ,any person who has received any advantage under such agreement

- A. Is bound to restore it
- B. Is not bound to restore it
- C. Is not bound to return it.
- D. May retain it

84. A contract of indemnity is a

- A. A contingent contract
- B. Wagering contract
- C. Quasi contract
- D. Void contract

85. The term property as used in the sale of goods act 1930 means

- A. Possession
- B. Ownership
- C. Ownership and possession both
- D. The subject matter of contract of sale.

86. In case of breach of a warranty , the buyer can

- A. Claim damages only
- B. Repudiate the contract
- C. Cannot return the goods
- D. Refuse to take delivery of the goods

87. Sale of goods for cash is an example of

- A. Mutual and independent promises
- B. Mutual and dependent promises
- C. Mutual and concurrent promises
- D. Conditional and dependent promises.

88. Where there are co sureties ,a release by the creditor of one of them

- A. Discharges the other co sureties
- B. Does not discharge the other co sureties
- C. Makes all the co sureties immediately liable
- D. Makes the contract of guarantee void.

89. The foundation of modern law of damages was laid down in,

- A. Tinn v. Hoffman
- B. Taylor v. Caldwell
- C. Hadley v. Baxendale
- D. Addis v. Gramophone

90. The case of Hadley v. Baxendale (1854) deals with

- A. Anticipatory breach of contract.
- B. Quantum of damages
- C. Supervening impossibility
- D. Quasi contract.

91. A person who finds good belonging to another and takes them into his custody ,is subject to the same responsibility as a

- A. Bailee
- B. True owner
- C. Bailor
- D. Pledge.

92. Ordinary damages are damages which

- A. Arise in the usual course of things from the breach

- B. Which are in the contemplation of the parties at the time when the contract is made
- C. Are agreed in advance
- D. Are given by way of punishment for breach of contract.

93. An agreement to do an act impossible in itself

- A. Is void,
- B. Is voidable
- C. Is void ab initio
- D. Becomes void when impossibility is discovered

94. When two or more persons have made a joint promise, then unless a contrary intention appears from the contract, all such persons must fulfill the promise

- A. Jointly
- B. Severally
- C. Jointly and severally
- D. Jointly or severally

95. A contract of insurance is a

- A. Contract of guarantee
- B. Contingent contract
- C. Wagering agreement
- D. Unilateral agreement.

96. If there is a unilateral mistake as regards identity of a party caused by fraud of the other party, the contract is

- A. Void,
- B. Voidable,
- C. Valid
- D. Illegal

97. Consideration

- A. Must move from the promisee,
- B. May move from the promisee or any other person
- C. May move from the third party
- D. May move from the promisor.

98. A contract is

- A. A legal obligation
- B. An agreement plus a legal obligation
- C. Consensus ad idem,
- D. Agreement plus a legal object.

99. Consideration must be something which the promisor

- A. Is already bound to do,
- B. Is not already bound to do.
- C. May voluntarily do
- D. Must not do.

100. Where consent is caused by fraud or misrepresentation , the contract is

- A. Voidable at the option of the aggrieved party
- B. Void
- C. Unenforceable
- D. Not affected in any manner

101. The collateral transactions to an illegal agreement are

- A. Void,
- B. Illegal,
- C. Voidable,
- D. Not affected at all

102. Which of the following are contingent contracts?

- A. Contract of insurance
- B. Contract of guarantee,

- C. Contracts for the sale of goods on credit
- D. Wagering agreements

103. If a new contract is substituted in place of an existing contract, it is called

- A. Alteration
- B. Rescission
- C. Novation
- D. Waiver,

104. The right of subrogation in a contract of guarantee is available to the

- A. Creditor
- B. Principal debtor
- C. Surety
- D. Indemnified

105. If a contract contains an undertaking to perform an impossibility, the contract is

- A. Void ab initio
- B. Void
- C. Voidable at the option of the plaintiff
- D. Illegal

106. A agrees to pay B Rs. 2000 if a certain ship does not return at Mumbai port within a year. A's promise can be enforced when the ship

- A. Arrives Mumbai in a damaged condition during the year
- B. Is lost during the year
- C. Is sunk during the year
- D. Arrives Mumbai in a good condition during the year.

107. An employee, by the terms of his service agreement, is prevented from accepting a similar engagement after the termination of his service. The restraint

- A. Valid
- B. Void
- C. Illegal
- D. Unenforceable

108. A who owes Rs. 10000 to B dies leaving an estate of Rs. 6000. The legal representation of A are

- A. Liable for Rs. 10000
- B. Liable for Rs. 6000
- C. Not liable at all
- D. Liable for Rs. 3000.

109. Regulations to the opening and closing of business in a market are

- A. Not unlawful even if they are in restraint of trade.
- B. Unlawful because they are in restraint of trade.
- C. Void
- D. Not valid

110. Where both the parties to an agreement are under a mistake as a matter of fact essential to the agreement ,the agreement is

- A. Void
- B. Voidable
- C. Illegal
- D. Not affected at all.

111. Consent given to a contract under some misrepresentation by the other party makes the contract

- A. Void
- B. Invalid
- C. Unenforceable
- D. Voidable

112. A promise to compensate ,wholly or in part , a person who has already voluntarily done something for the promisor is

- A. Enforceable
- B. Not enforceable because it is without consideration,
- C. Void
- D. Voidable.

113. Consideration in a contract

- A. May be past ,present or future,
- B. May be present or future only.
- C. Must be present only.
- D. Must be future only.

114. An agreement with or by minor is

- A. Void
- B. Voidable at the option of the minor
- C. Voidable at the option of the other party
- D. Valid.

115. An agreement not enforceable by law is said to be

- A. Void,
- B. Voidable,
- C. Valid,
- D. Unenforceable,
- E. Illegal.

116. Flaw in capacity to contract may arise from

- A. Lack of free consent
- B. Lack of consideration
- C. Minority
- D. Absence of legal formalities.

117. An acceptance is not according to the mode prescribed but the offerer decides to keep quiet. In such a case there is

- A. A contract,
- B. No contract,
- C. A voidable contract,
- D. An unenforceable contract.

118. A makes an offer to B on 10th by a letter which reaches B on 12th B posts letter of acceptance on 14th which reaches A on 16th. The communication of acceptance is complete as against A on

- A. 12th
- B. 14th
- C. 16th
- D. 20th

121. The Law of Contract in India is contained in

- A. Indian Contract Act 1862
- B. Indian Contract Act 1962
- C. Indian Contract Act 1872
- D. Indian Contract Act 1972

122. In case of illegal agreements the collateral agreements are

- A. Valid Contract
- B. Void Contract
- C. Voidable Contract
- D. None of these

123. Consideration must move at the desire of:

- A. Promisor
- B. Promisee
- C. Any other person
- D. Any of these

124. 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 minor gives a promise for it

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

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

126. An agreement is void if it is opposed to public policy. Which of the following is not covered by heads of public policy.

- A. Trading with an enemy
- B. Trafficking in public offices
- C. Marriage brokerage contracts
- D. Contracts to do impossible acts

127. A, B and C jointly promised to pay Rs.6000 to D. Before the performance of the contract, C dies. Here the contract;

- A. Becomes void on C's death
- B. Should be performed by A and B along with C's legal representatives
- C. Should be performed by A and B alone
- D. Should be renewed between A, B and D

128. In case of breach of contract, which of the following remedy is available to the aggrieved party?

- A. Suit for rescission
- B. Suit for damages
- C. Suit for specific performance
- D. All of these

129. A agrees to pay Rs.1,00,000 to B if he brings a star from the sky. This is a contingent contract and

- A. Illegal
- B. Valid
- C. Voidable
- D. Void

130. In the above question, the communication of acceptance is complete against A on 28th Dec.1998 and against B on;

- A. 25th Dec.1998
- B. 27th Dec.1998
- C. 28th Dec.1998
- D. 30th Dec.1998

131. Which of the following elements does not affect the free consent of the parties.

- A. Coercion
- B. Fraud
- C. Incompetency
- D. Undue influence

132. Which of the following acts does not fall under the categories of fraud?

- A. Intentional false statement of facts
- B. Active concealment of facts
- C. Innocent false statements
- D. Promise made without intention to perform

133. A contract made by mistake about Indian Law, is;

- A. Void
- B. Valid
- C. Voidable
- D. Illegal

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

- A. Minors
- B. Educated
- C. Married
- D. None of these

135. 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

136. Sometimes, a person finds certain goods belonging to some persons. In such case, the finder

- A. Becomes the owner of the goods and can use them
- B. Is under a duty to trace the true owner and return the goods
- C. Can sell the perishable goods if true owner cannot be found
- D. Both (b) and (c)

137. When after the formation of a valid contract, an event happens which makes the performance of contract impossible then the contract becomes

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

138. What is legal terminology for the doing or not doing of something which the promisor desires to be done or not done?

- A. Desires
- B. Wishes
- C. Considerations
- D. Promise

139. An agreement enforceable by Law is a

- A. Promise
- B. Contract
- C. Obligation
- D. Lawful promise

140. Which of the following statement is true?

- A. Consideration must result in a benefit to both parties
- B. Past consideration is no consideration in India
- C. Consideration must be adequate
- D. Consideration must be something which a promisor is not already bound to do

141. Which of the following statement is true?

- A. A contract with a minor is voidable at the option of the minor
- B. An agreement with the minor can be ratified after he attains majority
- C. A person who is usually of an unsound mind cannot enter into contract even when he is of a sound mind
- D. A person who is usually of an sound mind cannot enter into contract even when he is of a unsound mind

142. 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 amounts to fraud

143. A contract is discharged by rescission which means the;

- A. Change in one or more terms of the contract
- B. Acceptance of lesser performance
- C. Abandonment of rights by a party
- D. Cancellation of the existing contract

144. Generally, which of the following damages are not recoverable?

- A. Ordinary damages
- B. Special damages
- C. Remote damages
- D. Nominal damages

145. A, by a letter dated 25th December 1998, offers to sell his house to B for Rs.10 lakhs. The letter reaches on 27th Dec.1998, who posts his acceptance on 28th Dec. 1998 which reaches A on 30th Dec.1998. Here the communication of offer is completed on;

- A. 25th Dec.1998
- B. 27th Dec.1998
- C. 28th Dec.1998
- D. 30th Dec.1998

146. For entering into a contract, a minor is a person who has not completed the age of;

- A. 16 years
- B. 18 years
- C. 20 years
- D. 21 years

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

- A. A undue influence
- B. Fraud
- C. Coercion
- D. None of these

148. Which of the following statement is false?

- A. A contract is not voidable if fraud or misrepresentation does not induce the other party to enter a contract.

- B. A party cannot complain of fraudulent silence or misrepresentation if he had the means of discovering the truth with ordinary means
- C. In case of fraud or misrepresentation, aggrieved party can either rescind or affirm the contract
- D. A party who affirms the contract, can also change his option afterwards if he so decides

149. The consideration or object of agreement is considered unlawful, if is

- A. Forbidden by law
- B. Fraudulent
- C. Immoral
- D. All of these

150. An agreement in restraint of marriage, ie, which prevents a person from marrying is

- A. Valid
- B. Voidable
- C. Void
- D. Contingent

151. An agreement to pay money money's worth on the happening or non happening of a specified uncertain event is a

- A. Wagering agreement
- B. Contingent contract
- C. Quasi contract
- D. Uncertain agreement

152. A contingent contract dependent on the non happening of specified uncertain event within fixed time can be enforced if the event

- A. Does not happen within fixed time
- B. Becomes impossible before the expiry of fixed time
- C. Happens within the fixed time
- D. Both (a) and (b)

153. In commercial transactions, time is considered to be of the essence of contract, and if the party fails to perform the contract within specified time, the contract becomes

- A. Voidable at the option of the other party
- B. Void and cannot be enforced
- C. Illegal for non compliance of legal terms
- D. Enforceable in higher court only

154. Which of the following statements is correct?

- A. Ordinary damages are recoverable
- B. Special damage is recoverable only if the parties knew about them
- C. Remote or indirect damages are not recoverable
- D. All of these

155. A and B both believe that a particular kind of rice is being sold in the market @Rs.3000 per quintel and A sells rice of that kind to B @3000/quintel. But in fact, the market price was Rs.4000, the contract is

- A. Valid
- B. Void
- C. Voidable
- D. Illegal

156. A sells the goodwill of his business to B and agrees with him to refrain from carrying on a similar business within specified local limits. This contract is

- A. Valid
- B. Void
- C. Voidable
- D. Illegal

157. A void agreement is one which is

- A. Valid but not enforceable
- B. Enforceable at the portion of both parties
- C. Enforceable at the portion of one party

D. Not enforceable in a Court of Law

158. A proposal when accepted becomes a:

- A. Promise
- B. Contract
- C. Offer
- D. Acceptance

159. Consideration in simple term means

- A. Anything in return
- B. Something in return
- C. Everything in return
- D. Nothing in return

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

- A. He cannot become a partner in an existing firm
- B. He can become a partner in an existing firm
- C. He can be admitted only to the benefits of any existing firm
- D. He can become partner on becoming a major

161. A wrong representation when made without any intention to deceive the other party amounts to

- A. Coercion
- B. Undue influence
- C. Misrepresentation
- D. Fraud

162. Which of the following persons can perform the contract?

- A. Promisor alone
- B. Legal representatives of the Promisor
- C. Agent of the Promisor
- D. All of these

163. A contingent contract is;

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

164. A voidable contract is one which;

- A. Can be enforced at the option of the aggrieved party
- B. Can be enforced at the option of the both parties
- C. Cannot be enforced in a court of laws
- D. Court prohibits

165. A agrees to sell his car worth Rs. 100000 lakh to B for rs.20000 and A's consent was obtained by coercion. Here, the agreement is;

- A. Void
- B. Valid
- C. Voidable
- D. Unlawful

166. When one party is in a position to dominate the will of another and uses his superior position to obtain the consent of a weaker party, the consent is said to be obtained by;

- A. Coercion
- B. Undue influence
- C. Fraud
- D. Misrepresentation

167. As per Section 20, the contract is void, on account of bilateral mistake of fact. But as per Section 22, if there is mistake of only one party, then the contract is;

- A. Void
- B. Valid

- C. Voidable
- D. Illegal

168. A agrees to pay Rs.50000 to B if he kills C. The agreement is

- A. Void
- B. Valid
- C. Voidable
- D. Contingent

169. A agrees to sell his car to B at a price which B may be able to pay. This agreement is

- A. Void
- B. Valid
- C. Voidable
- D. Contingent

170. A agrees to pay Rs.1000 to B if a certain ship returns within a year. However, the ship sinks within the year. In this case, the contract becomes

- A. Valid
- B. Void
- C. Voidable
- D. Illegal

171. Where the performance of a promise by one party depends on the prior performance of promise by the other party, such reciprocal promises fall under category of

- A. Mutual and Concurrent
- B. Conditional and dependent
- C. Mutual and independent
- D. Both (a) and (b)

172. Standing offer means

- A. Offer allowed to remain open for acceptance over a period of times
- B. Offer made to the public in general

- C. When the offeree offers to qualified acceptance of the offer
- D. Offer made to a definite person

173. An agreement which is enforceable by law at the portion of one or more of the parties thereon but not at the option of the other or others is a:

- A. Valid Contract
- B. Void Contract
- C. Voidable Contract
- D. Illegal Contract

174. When the consent of a party is not free, the contract is:

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

175. Which of the following statement is false?

- A. Generally a stranger to a contract can not 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

176. Which of the following is not an exception to the rule No consideration, No contract.

- A. Compensation for involuntary services
- B. Love & Affection
- C. Contract of agencies
- D. Gift

177. Moral pressure is involved in the case of

- A. Coercion

- B. Undue influence
- C. Misrepresentation
- D. Fraud

178. An agreement the object or consideration of which is unlawful, is:

- A. Void
- B. Valid
- C. Voidable
- D. Contingent

179. When prior to the due date of performance, the promisor absolutely refuses to perform the contract, it is known as:

- A. Abandonment of a contract
- B. Remission of contract
- C. Actual breach of contract
- D. Anticipatory breach of contract

180. A contract depend on the happening or non happening of the future uncertain event, is a

- A. Uncertain contract
- B. Contingent contract
- C. Void contract
- D. Voidable contract

181. An agreement made with free consent to which the consideration is lawful but inadequate is;

- A. Void
- B. Valid
- C. Voidable
- D. Unlawful

182. A contract with the minor, which is beneficial for him, is;

- A. Void ab initio
- B. Voidable

- C. Valid
- D. Illegal

183. When the consent to an agreement is obtained by coercion, the agreement is voidable at the option of

- A. Either party to the agreement
- B. A party whose consent was so obtained
- C. A party who obtained the consent
- D. None of these

184. Where the consent of both the parties is given by mistakes, the contract is;

- A. Void
- B. Valid
- C. Voidable
- D. Illegal

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

- A. Mistake of fact
- B. Mistake of Indian Law
- C. Fraud
- D. Misrepresentation

186. An agreement in restraint of legal proceedings is void. It does not cover an agreement which

- A. Restrict absolutely the parties from enforcing their legal rights.
- B. Cuts short the period of limitation
- C. Discharges a party from liability or extinguishes the rights of a party
- D. Provides for a reference to arbitration instead of court of law

187. The basis of 'quasi contractual relations' is the

- A. Existence of a valid contract between the parties

- B. Prevention of unjust enrichment at the expense of others
- C. Provision contained in section 10 of the Contract Act
- D. Existence of a voidable contract between the parties

188. The special damages ie, the damages which arise due to so a special or unusual circumstances

- A. Are not recoverable altogether
- B. Are illegal being punitive in nature
- C. Cannot be claimed as a matter of right
- D. Can be claimed as a matter of right

189. When the offeree offers to qualified acceptance of the offer subject to modifications and variations he is said to have made a

- A. Standing, open or continuing offer
- B. Counter offer
- C. Cross offer
- D. Special offer

190. Which is the following is false? An offer to be valid must;

- A. Intend to create legal relations
- B. Have certain and unambiguous terms
- C. Contain a term the non-compliance of which would amount to acceptance
- D. Be communicated to the person to whom it is made

91. An offer may lapse by

- A. Revocation
- B. Counter Offer
- C. Rejection of offer by offeree
- D. All of these

192. Which of the following statement 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 a contract & consideration
- D. None of the above

193. Ordinarily, a minor's agreement is

- A. Void ab initio
- B. Voidable
- C. Valid
- D. Unlawful

194. The threat to commit suicide amounts to

- A. Coercion
- B. Undue influence
- C. Misrepresentation
- D. Fraud

195. On the valid performance of the contractual obligations by the parties, the contract;

- A. Is discharged
- B. Becomes enforceable
- C. Becomes void
- D. None of these

196. In case of anticipatory breach, the aggrieved party may treat the contract;

- A. As discharged and bring an immediate action for damages
- B. As operative and wait till the time for performance arrives
- C. Exercise option either (a) or (b)
- D. None of these

197. A contingent contract depend on the happening of the future uncertain event can be enforced when the event;

- A. Happens
- B. Becomes impossible
- C. Doesn't happen
- D. Either of these

198. On the acceptance of an offer by a offeree

- A. Only the acceptor becomes bound by accepting the offer
- B. Only the offeror becomes bound as his terms are accepted
- C. Both the acceptor and offeree becomes bound by the contract
- D. None of these

199. Which of the following persons are not competent to contract?

- A. Minors
- B. Persons of unsound mind
- C. Persons disqualified by law
- D. All of these

200. When the consent of a party is obtained by coercion undue influence, fraud or misrepresentation, the contract is;

- A. Void
- B. Voidable
- C. Valid
- D. Illegal