

1. When is the communication of proposals, the acceptance of proposals and the revocation of proposals deemed to be made?
 - a. Only on clear verbal communication of such proposal, acceptance or revocation
 - b. By any act or omission of the party by which he intends to communicate such proposal, acceptance or revocation or has the effect of communicating it
 - c. Only when the proposal, acceptance or revocation of the proposal is recorded in writing
 - d. Only when the proposal, acceptance or revocation of the proposal is received and understood by the other party receiving the information

ANSWER: (c)

2. When is the communication of a proposal complete?
 - a. When it comes to the knowledge of the person to whom it is made
 - b. Only when the proposal, acceptance or revocation of the proposal is recorded in writing
 - c. When the other party gives his assent or dissent to the proposal
 - d. Only when a clear verbal communication of such proposal is made

ANSWER: (a)

3. When can a proposal be revoked?
 - a. Once a proposal is made, it cannot be revoked
 - b. Any time before or after the communication of acceptance is complete
 - c. Any time before the communication of its acceptance is complete as against the proposer, but not afterwards
 - d. Any time before the proposal comes to the knowledge of the other party, but not afterwards

ANSWER: (c)

4. A proposal cannot be revoked:
 - a. By the communication of notice of revocation by the proposer to the other party
 - b. By the failure of the acceptor to fulfil a condition precedent to acceptance
 - c. By the lapse of the time prescribed in such proposal for its acceptance
 - d. By an act involving moral turpitude of the proposer, whether related to the proposal or otherwise

ANSWER: (d)

5. Which of the following is not a necessary feature to convert a proposal into a promise?

- a. The acceptance must be absolute
- b. The acceptance must be within the prescribed time limit
- c. The acceptance must be unqualified
- d. The acceptance must be expressed in some usual and reasonable manner

ANSWER: (b)

6. When is the promise said to be express?

- a. When the proposal or acceptance of any promise is made in words
- b. When the proposal or acceptance of any promise is made through visual representation
- c. When the proposal or acceptance of any promise is made in any way other than words
- d. When the proposal or acceptance is made by either in words or in any way other than words

ANSWER: (a)

7. Which of the following feature is not essential for a contract?

- a. It should be in writing only
- b. Free consent of parties competent to contract
- c. Lawful consideration and with a lawful object
- d. It should not be declared void expressly

ANSWER: (a)

8. Who among the following is not competent to contract?

- a. Person who has acquired the age of
- b. Person who has acquired the age of
- c. Person is of sound mind
- d. Person who is disqualified from contracting by any law

ANSWER: (b)

9. What is consent under the Indian Contract Act?

- a. When acceptance of proposal is made by the party to whom the proposal is made
- b. When the acceptance is made by another person other than the person to whom the proposal is made
- c. When they agree upon the same thing in the same sense

- d. When both the parties agree upon a thing in the way it is understood by them

ANSWER: (c)

10. Which of the following is not a necessary feature for free consent?

- a. When the consent is not caused by coercion
- b. When the consent is not caused by undue influence
- c. When the consent is not caused by mistake
- d. When the consent is not caused by misunderstanding

ANSWER: (d)

11. 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

ANSWER: (a)

12. The Contract Act came into force

- a. from 1st September, 1972
- b. before 1st September, 1882
- c. from 1st September, 1872
- d. after 1st September, 1872

ANSWER: (c)

13. An agreement consists of reciprocal promises between at least

- a. Four parties
- b. Six parties
- c. Three parties
- d. Two parties

ANSWER: (d)

14. Contractual rights and duties are created by

- a. State
- b. Statute
- c. Parties
- d. Custom or usage

ANSWER: (c)

15. In India, the express provisions of the Contract Act applies to

- a. Hindus
- b. Female
- c. Businessman
- d. All of the above

ANSWER: (d)

16. Every promise and every set of promise forming the consideration for each other is

a/an

- a. Contract
- b. Agreement
- c. Offer
- d. Acceptance

ANSWER: (b)

17. A promises to deliver his watch to B and, in return, B promises to pay a sum of Rs

2000 This is a/an

- a. Agreement
- b. Proposal
- c. Acceptance
- d. Offer

e. **ANSWER:** (a)

18. Contract is defined as an agreement enforceable by law; vide Section _____

of the Indian Contract Act

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

ANSWER: (c)

19. A sells his car to B A has a right to recover the price of the car from B This right is a

- a. Right is rem
- b. Right is personam
- c. Right in rem as well as right in personam
- d. Moral right

ANSWER: (b)

20. A owns a residential flat He is entitled to a quiet possession and enjoyment of his property This is called

- a. Rights in personam
- b. Rights in rem
- c. Moral right
- d. There is no right at all

ANSWER: (b)

21. A owes Rs 1 lakh to B. B is entitled to recover this amount from A This is called

- a. Rights in personam
- b. Rights in rem
- c. Constitutional right
- d. There is no right at all

ANSWER: (a)

22. A contract creates

- a. Rights in personam
- b. Rights in rem
- c. No obligations
- d. Only obligations and no rights

ANSWER: (a)

23. 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

ANSWER: (d)

24. A lends Rs 10 lakh to B for a year After one year A's right to recover the money from B is a

- a. Right in rem
- b. Right in personam
- c. Moral right
- d. Civil right

ANSWER: (b)

25. A has bought a house for Rs 50,000 Which of the following right is available to A after the purchase?
- a. He has a right against the seller to have a quiet possession of the house and enjoy in it
 - b. He has a right against the whole world to have a quiet possession of the house and enjoy in it
 - c. He has a moral right over the house
 - d. He has a right to live in the house but cannot sell

ANSWER: (b)

26. Agreement to murder a person
- a. Cannot be enforceable by law
 - b. Is valid in law
 - c. Is invalid for want of consideration
 - d. Has no consensus ad idem

ANSWER: (a)

27. A invites B for his son's wedding B accepts the invitation In this case, there is an agreement but no contract since
- a. There is no consideration
 - b. There is no intention to create legal relationship
 - c. There is no written document
 - d. There is no formal acceptance of the offer

ANSWER: (b)

28. A invites B for coffee in Coffee day Restaurant and B accepts the invitation On the appointed date, B goes there but A is does not come In this case
- a. B has no remedy against A
 - b. B has to wait for another invitation from A
 - c. B can sue A for not honouring his words
 - d. A has to invite B again, to keep the promise

ANSWER: (c)

29. A promise to give Rs 5,000 per month pocket money to his son B If A does not give the pocket money
- a. B can sue his father

- b. B has no remedy against A
- c. B can accept a lower pocket money also
- d. B has to give Rs 5,000 to his father

ANSWER: (b)

30. 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

ANSWER: (d)

31. 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

ANSWER: (a)

32. An agreement is valid

- a. If it creates legal and social obligations of the parties
- b. If it creates rights of a party
- c. If it is written on a piece of paper and signed by the parties
- d. If it creates legally binding right and obligations of the parties to it

ANSWER: (d)

33. Voidable contract is one

- a. Which is lawful
- b. Which is invalid
- c. Which is valid as long as it is not avoided by the party entitled to do so
- d. Which is unlawful

ANSWER: (c)

34. When the contract is perfectly valid but cannot be enforced because of certain technical defects This is called

- a. Unilateral contract

- b. Bilateral contract
- c. Unenforceable contract
- d. Void contract

ANSWER: (c)

35. _____ is without any legal effect and cannot be enforced in a Court of Law

- a. Valid contract
- b. Void contract
- c. Voidable contract
- d. Unenforceable contract

ANSWER: (b)

36. According to provisions of the Indian Contract Act, 1872 void agreement and void contract is the same

- a. True
- b. False
- c. Partly true
- d. Partly false

ANSWER: (b)

37. A void agreement is *void-ab-initio* but a void contract is not *void-ab-initio*

- a. True
- b. False
- c. Partly true
- d. Partly false

ANSWER: (a)

38. A contract needs to be written, registered and signed by the parties and witnessed

- a. If any party wishes so
- b. If the Contract Act directs so
- c. If any other act provides so
- d. If the consideration large amount

ANSWER: (c)

39. A and B enter into a contract to marry each other Before the time fixed for the marriage, A goes mad The contract becomes

- a. void

- b. illegal
- c. valid
- d. voidable

ANSWER: (a)

40. _____ is forbidden by law

- a. Valid contract
- b. Illegal agreement
- c. Voidable contract
- d. Unenforceable contract

ANSWER: (b)

41. 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

ANSWER: (b)

42. _____ is made by words spoken

- a. Express contract
- b. Implied contract
- c. Tacit contract
- d. Unlawful contract

ANSWER: (a)

43. _____ is made by words written

- a. Express contract
- b. Implied contract
- c. Tacit contract
- d. Unlawful contract

ANSWER: (a)

44. A appoints B as his agent, by way of a power of attorney This is an example of

- a. express contract
- b. implied contract
- c. tacit contract

- d. unlawful contract

ANSWER: (a)

45. _____ implies a contract though the parties never expressed their intention to enter into a contract

- a. Express contract
- b. Implied contract
- c. Electronic contract
- d. Unlawful contract

ANSWER: (b)

46. Where a contract has to be inferred from the conduct of parties, it is called

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

ANSWER: (b)

47. 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

ANSWER: (b)

48. _____ 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

ANSWER: (c)

49. An agreement is

- a. enforceable by law if it meets the requirements of the law of the land

- b. enforceable by law if any one party to it wants
- c. enforceable against the law
- d. enforceable by law if it is made by competent parties

ANSWER: (a)

50. Where the obligation in a contract is outstanding on the part of both parties, it is called

- a. void contract
- b. illegal agreement
- c. unilateral contract
- d. bilateral contract

ANSWER: (d)

51. Where a particular type of contract is required by law to be in writing and registered, it must comply with the necessary formalities as to writing, registration and attestation Otherwise, such a contract is

- a. void contract
- b. illegal agreement
- c. valid contract
- d. unenforceable contract

ANSWER: (d)

52. All illegal agreements are void; but all void agreements are not illegal

- a. True
- b. Partly true
- c. False
- d. None of the above

ANSWER: (a)

53. An offer and its acceptance is the basic requirement of an agreement and as per this requirement an offer by one party

- a. should be made to the other who is related to him
- b. may also be made to himself
- c. should be made to another who may or may not be related to him
- d. should be made to another before the Registrar

ANSWER: (c)

54. According to enforceability, the contracts may be classified as

- a. valid contracts
- b. void contracts
- c. voidable contracts
- d. all of the above

ANSWER: (d)

55. In social agreements usual presumption is

- a. That the parties do not intend to create social relations
- b. That the parties intend to perform them
- c. That the parties do not intend to make legal and social relations
- d. That the parties do not intend to create legal relations between them

ANSWER: (d)

56. A promised to marry B Later on B died This contract of marriage

- a. becomes void
- b. is void from very beginning
- c. is valid
- d. is illegal now

ANSWER: (a)

57. An implied contract is one which comes into existence on account of

- a. conduct of the parties
- b. non-availability of a paper for writing
- c. inability of the parties to write or speak
- d. directions given by a court

ANSWER: (a)

58. A contract in which, under the terms of a contract, nothing remains to be done by either party is known as

- a. executed contract
- b. executory contract
- c. unilateral contract
- d. none of the above

ANSWER: (a)

59. A contract in which, under the terms of a contract, one or both the parties have still to perform their obligations in future is known as

- a. executed contract
- b. executory contract
- c. unilateral contract
- d. none of the above

ANSWER: (b)

60. Contracts classified on the basis of performance are

- a. executed contracts
- b. executory contracts
- c. partly executed or partly executory contracts
- d. all of the above

ANSWER: (d)

61. Express contract means a contract made by

- a. words either spoken or written
- b. documents
- c. both words and documents
- d. all of the above

ANSWER: (d)

62. Which of the following is not an essential of a valid contract?

- a. Agreement
- b. Adequate consideration
- c. Lawful Object
- d. Not barred by law

ANSWER: (b)

63. A contract will still be a valid contract if it is

- a. Opposed to public policy
- b. In restraint of marriage
- c. In restraint of Trade
- d. Without adequate consideration

ANSWER: (d)

64. The codified law for the law of Contract in India is

- a. Indian Contract Act, 1872
- b. Indian Contract Act, 1973

- c. Indian Contract Act, 1992
- d. Indian Contract Act, 1901

ANSWER: (a)

65. A proposal upon acceptance becomes a

- a. Contract
- b. A promise
- c. An agreement
- d. Both (b) and (c)

ANSWER: (b)

66. The acceptance of a proposal should be

- a. Expressly given
- b. Impliedly given
- c. Given by consent
- d. All of the above

ANSWER: (d)

67. The consent given will be considered to be valid consent if there is

- a. Coercion
- b. Undue influence
- c. Free consent
- d. Misrepresentation

ANSWER: (c)

68. The rights concerning a contract are decided by

- a. Parties to the contract
- b. Indian Contract Act
- c. Both (a) and (b)
- d. None of the above

ANSWER: (a)

69. The remedy of compensation given in the case of breach of contract is given under which section of The Indian Contract Act?

- a. Section 73
- b. Section 115
- c. Section 79

d. Section 69

ANSWER: (a)

70. Which of the following maxims is not related to the law of Contract?

- a. Consensus ad idem
- b. Assentio mentum
- c. Ex nudo pacto non oritur action
- d. Actus Non Facit Reum Nisi Mens Sit Rea

ANSWER: (d)

71. A void contract is a contract which

- a. Is not enforceable by law
- b. Does not have reasonable terms
- c. Declared void by the Indian contract act
- d. Both (a) and (c)

ANSWER: (d)

72. An agreement consists of reciprocal promises between at least

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

ANSWER: (d)

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

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

ANSWER: (b)

74. 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)

ANSWER: (c)

75. 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.

ANSWER: (a)

76. 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

ANSWER: (b)

77. 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)]

ANSWER: (a)

78. Agreement the meaning of which is uncertain is

- a. Void
- b. Valid
- c. Voidable
- d. Illegal Answer:

ANSWER: (a)

79. _____ 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

ANSWER: (c)

80. All Contracts are _____.

- a. Offer
- b. Agreement
- c. Acceptance
- d. Transaction

ANSWER: (b)

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

- a. Offer
- b. Agreement
- c. Acceptance
- d. Transaction

ANSWER: (b)

82. Every agreement and promise enforceable by law is _____.

- a. Offer
- b. Contract
- c. Acceptance
- d. Consideration

ANSWER: (b)

83. 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

ANSWER: (b)

84. 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

ANSWER: (a)

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

- a. Partial & qualified
- b. Absolute & unqualified
- c. Partial & unqualified
- d. Absolute & qualified

ANSWER: (b)

86. 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.

ANSWER: (a)

87. 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.

ANSWER: (b)

88. 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.

ANSWER: (b)

89. 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.

ANSWER: (a)

90. 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

ANSWER: (a)

91. 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

ANSWER: (d)

92. 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.

ANSWER: (d)

93. 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.

ANSWER: (a)

94. 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

ANSWER: (d)

95. 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.

ANSWER: (d)

96. 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.

ANSWER: (a)

97. 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. Cannot sue even if the consideration has proceeded from him.
- d. Cannot sue at all for want of privity of contract.

ANSWER: (a)

98. 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

ANSWER: (d)

99. "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

ANSWER: (b)