

MULTIPLE CHOICE QUESTIONS ON CONTRACT ACT

1. The Law of Contract is nothing but
 1. a child of commercial dealing.
 2. a child of religion.
 3. a child of day-to-day politics.
 4. a child of economics.
2. The Contract Act came into force
 1. from 1 September 1972.
 2. before 1 September 1882.
 3. from 1 September 1872.
 4. after 1 September 1872.
3. An agreement consists of reciprocal promises between at least
 1. four parties.
 2. six parties.
 3. three parties.
 4. two parties.
4. Contractual rights and duties are created by
 1. state.
 2. statute.
 3. parties.
 4. custom or usage.
5. In India, the express provisions of the Contract Act applies to
 1. Hindus.
 2. female.
 3. businessman.
 4. all of the above.
6. Every promise and every set of promise forming the consideration for each other is a/an
 1. contract.
 2. agreement.
 3. offer.
 4. acceptance.
7. A promises to deliver his watch to B and, in return, B promises to pay a sum of 2000. This is a/an
 1. agreement.
 2. proposal.
 3. acceptance.
 4. offer.
8. Contract is defined as an agreement enforceable by law, vide Section ... of the Indian Contract Act.
 1. 2(e)
 2. 2(f)
 3. 2(h)
 4. 2(i)
9. A sells his car to B. A has a right to recover the price of the car from B. This right is a
 1. right in rem.
 2. right in personam.
 3. right in rem as well as right in personam.
 4. moral right.
10. A owns a residential flat. He is entitled to a quiet possession and enjoyment of his property. This is called
 1. rights in personam.
 2. rights in rem.
 3. moral right.
 4. there is no right at all.
11. A owes 1 lakh to B. B is entitled to recover this amount from A. This is called
 1. rights in personam.
 2. rights in rem.
 3. constitutional right.

4. there is no right at all.
12. A contract creates
 1. rights in personam.
 2. rights in rem.
 3. no obligations.
 4. only obligations and no rights.
13. Valid contracts
 1. are made by free consent.
 2. are made by competent parties.
 3. have lawful consideration and lawful object.
 4. all of the above.
14. A lends 10 lakh to B for a year. After one year A's right to recover the money from B is a
 1. right in rem.
 2. right in personam.
 3. moral right.
 4. civil right.
15. A has bought a house for 50,000. Which of the following right is available to A after the purchase?
 1. He has a right against the seller to have a quiet possession of the house and enjoy in it.
 2. He has a right against the whole world to have a quiet possession of the house and enjoy in it.
 3. He has a moral right over the house.
 4. He has a right to live in the house but cannot sell.
16. Agreement to murder a person
 1. cannot be enforceable by law.
 2. is valid in law.
 3. is invalid for want of consideration.
 4. has no consensus ad idem.
17. A invites B for his son's wedding. B accepts the invitation. In this case, there is an agreement but no contract since
 1. there is no consideration.
 2. there is no intention to create legal relationship.
 3. there is no written document.
 4. there is no formal acceptance of the offer.
18. A invites B for coffee in Coffee day Restaurant and B accepts the invitation. On the appointed date, B goes there but A does not come. In this case
 1. B has no remedy against A.
 2. B has to wait for another invitation from A.
 3. B can sue A for not honouring his words.
 4. A has to invite B again, to keep the promise.
19. A promise to give 5000 per month pocket money to his son B. If A does not give the pocket money
 1. B can sue his father.
 2. B has no remedy against A.
 3. B can accept a lower pocket money also.
 4. B has to give 5000 to his father.
20. A contract creates
 1. rights and obligations of the parties to it.
 2. obligations of the parties to it.
 3. mutual understanding between the parties to it.
 4. mutual lawful rights and obligations of the parties to it.
21. In agreements of a purely domestic nature, the intention of the parties to create legal relationship is
 1. to be proved to the satisfaction of the court.
 2. presumed to exist.
 3. required to the extent of consideration.
 4. not relevant at all.

22. An agreement is valid
 1. which creates legal and social obligations of the parties.
 2. which creates rights of a party.
 3. which is written on a piece of paper and signed by the parties.
 4. which creates legally binding right and obligations of the parties to it.
23. Voidable contract is one
 1. which is lawful.
 2. which is invalid.
 3. which is valid as long as it is not avoided by the party entitled to do so.
 4. which is unlawful.
24. When the contract is perfectly valid but cannot be enforced because of certain technical defects. This is called
 1. unilateral contract.
 2. bilateral contract.
 3. unenforceable contract.
 4. void contract.
25. is without any legal effect and cannot be enforced in a Court of Law.
 1. Valid contract
 2. Void contract
 3. Voidable contract
 4. Unenforceable contract
26. According to provisions of the Indian Contract Act, 1872, void agreement and void contract is the same.
 1. True
 2. False
 3. Partly true
 4. Partly false
27. A void agreement is void ab initio but a void contract is not void *ab initio*.
 1. True
 2. False
 3. Partly true
 4. Partly false
28. A contract needs to be written, registered and signed by the parties and witnessed
 1. if any party wishes so.
 2. if the Contract Act directs so.
 3. if any other act provides so.
 4. if the consideration large amount.
29. A and B enter into a contract to marry each other. Before the time fixed for the marriage, A goes mad. The contract becomes
 1. void.
 2. illegal.
 3. valid.
 4. voidable.
30. is forbidden by law.
 1. Valid contract
 2. Illegal agreement
 3. Voidable contract
 4. Unenforceable contract
31. A makes a contract with B to beat his business competitor. This is an example of
 1. valid contract.
 2. illegal agreement.
 3. voidable contract.
 4. unenforceable contract.
32. is made by words spoken.
 1. Express contract
 2. Implied contract
 3. Tacit contract
 4. Unlawful contract
33. is made by words written.
 1. Express contract
 2. Implied contract

3. Tacit contract
4. Unlawful contract
34. A appoints B as his agent, by way of a power of attorney. This is an example of
 1. express contract.
 2. implied contract.
 3. tacit contract.
 4. unlawful contract.
35. implies a contract though the parties never expressed their intention to enter into a contract.
 1. Express contract
 2. Implied contract
 3. Electronic contract
 4. Unlawful contract
36. Where a contract has to be inferred from the conduct of parties, it is called
 1. express contract.
 2. implied contract.
 3. tacit contract.
 4. unlawful contract.
37. Drawing cash from ATM, sale by fall of hammer at an auction sale, etc., are example of
 1. express contract.
 2. implied contract.
 3. tacit contract.
 4. unlawful contract.
38. is a one-sided contract in which only one party has to perform his promise or obligation.
 1. Void contract
 2. Illegal agreement
 3. Unilateral contract
 4. Bilateral contract
39. An agreement is
 1. enforceable by law if it meets the requirements of the law of the land.
 2. enforceable by law if any one party to it wants.
 3. enforceable against the law.
 4. enforceable by law if it is made by competent parties.
40. Where the obligation in a contract is outstanding on the part of both parties, it is called
 1. void contract.
 2. illegal agreement.
 3. unilateral contract.
 4. bilateral contract.
41. 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
 1. void contract.
 2. illegal agreement.
 3. valid contract.
 4. unenforceable contract.
42. All illegal agreements are void; but all void agreements are not illegal.
 1. True
 2. Partly true
 3. False
 4. None of the above
43. An offer and its acceptance is the basic requirement of an agreement and as per this requirement an offer by one party
 1. should be made to the other who is related to him.
 2. may also be made to himself.
 3. should be made to another who may or may not be related to him.
 4. should be made to another before the Registrar.
44. According to enforceability, the contracts may be classified as
 1. valid contracts.
 2. void contracts.
 3. voidable contracts.
 4. all of the above.

45. In social agreements usual presumption is
 1. that parties do not intend to create social relations.
 2. that parties intend to perform them.
 3. that parties do not intend to make legal and social relations.
 4. that the parties do not intend to create legal relations between them.
46. A promised to marry B. Later on B died. This contract of marriage
 1. becomes void.
 2. is void from very beginning.
 3. is valid.
 4. is illegal now.
47. An implied contract is one which comes into existence on account of
 1. conduct of the parties.
 2. non-availability of a paper for writing.
 3. inability of the parties to write or speak.
 4. directions given by a court.
48. A contract in which, under the terms of a contract, nothing remains to be done by either party is known as
 1. executed contract.
 2. executory contract.
 3. unilateral contract.
 4. none of the above.
49. 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
 1. executed contract.
 2. executory contract.
 3. unilateral contract.
 4. none of the above.
50. Contracts classified on the basis of performance are
 1. executed contracts.
 2. executory contracts.
 3. partly executed or partly executory contracts.
 4. all of the above.
51. Express contract means a contract made by
 1. words either spoken or written.
 2. documents.
 3. both words and documents.
 4. all of the above.

ANSWERS—MULTIPLE CHOICE QUESTIONS

- 1 (i) 2 (iii) 3 (iv) 4 (iii) 5 (iv)
 6 (ii) 7 (i) 8 (iii) 9 (ii) 10 (ii)
 11 (i) 12 (i) 13 (iv) 14 (ii) 15 (ii)
 16 (i) 17 (ii) 18 (i) 19 (ii) 20 (iv)
 21 (i) 22 (iv) 23 (iii) 24 (iii) 25 (ii)
 26 (ii) 27 (i) 28 (iii) 29 (i) 30 (ii)
 31 (ii) 32 (i) 33 (i) 34 (i) 35 (ii)
 36 (ii) 37 (ii) 38 (iii) 39 (i) 40 (iv)
 41 (iv) 42 (i) 43 (iii) 44 (iv) 45 (iv)
 46 (i) 47 (i) 48 (i) 49 (ii) 50 (iv)
 51 (iv)