

AMIT BACHHAWAT TRAINING FORUM

NAME:

SUBJECT OPTED FROM OUR CENTRE:

PH NO:

GUARDIAN PH NO:

LAW FINAL TEST OF CPT JUNE 2017

40 MARKS

- Q61. Any stipulation other than time of payment is of the essence of the contract depends upon**
- Stipulation as to time given under Section 11 of the Indian Contract Act,1872
 - Operation of law
 - Terms of the contract
 - All of the above
- Q62. When a seller of goodwill of a business agrees not to carry on similar business, the limits and conditions imposed have to be _____ having regard to the nature of the business.**
- Reasonable
 - Understandable
 - Considerable
 - Unreasonable
- Q63. If the seller makes use of pretended bidding to raise the price, the sale is voidable at the option of the**
- Seller
 - Buyer
 - Court
 - Any of the above
- Q64. The sources of Mercantile law include**
- English Common Law
 - Mercantile Usages
 - Principles of equity and justice
 - All of the above
- Q65. In an agreement one party agrees to assist the other in recovering property , with a view to sharing the profits of litigation. It is**
- Maintenance
 - Champerty
 - Stifling litigation
 - None of the above
- Q66. 'A' buys a readymade shirt for his son, The Shirt does not exactly fit his son. Decide**
- A has no right to return or exchange the same
 - A has right to return the same
 - he will demand for damages
 - He may file a suit for exchange

- Q67.** In case of _____ the continuing guarantee given to the firm or the third party in respect of the transaction of the firm, the continuing guarantee is revoked as to future transactions of the firm:
- Dissolution of the firm
 - Death of partner
 - Insolvency of partner
 - Change in the constitution of the firm
- Q68.** A instructs T to enter on his behalf into a wagering transaction. T loses in the transaction and pays from his pocket. He thereafter sues S for reimbursement. Can S raise plea of wager?
- Yes, S can raise the plea of wager
 - No, as the agent's transaction this is collateral to the main transaction. Which is void is not affected.
 - Yes, C can raise the plea of wager but only in the states of Maharashtra & Gujarat.
 - Option (b) is correct whereas (c) is an exception
- Q69.** Ravi a partner of a firm, borrows money on his own credit of giving his own promissory note for the same, but he subsequently uses the proceeds of the note in the partnership concern of his own free will without any reference to the lender to do so. Which of the following is/are true?
- The firm should be liable provided the lender did not know the limitation on the authority of Ravi
 - The firm is not liable for the loan
 - Both (a) and (b) are true
 - None of the above
- Q70.** A Company announced a reward of £ 100 to anyone who contracted influenza after using its smoke balls but contracted influenza. She claimed the reward but the company rejected her claim stating that she did not communicate her acceptance to the Company. Here-
- Acceptance is not communicated and reward cannot be claimed
 - Offer is not communicated and reward cannot be claimed
 - Acceptance need not be communicated and reward can be claimed
 - There is no claim since reward cannot be given for contracting diseases.
- Q71.** Which Contracts are not Wagering Contracts?
- | | |
|---------------------------|-----------------|
| a. Bull & Bear Activities | b. Lottery |
| c. Speculative Activities | d. All of these |
- Q72.** P offers, to sell a painting to K which P knows is the copy of a well known masterpiece K thinking that the painting is original decides to buy it at a very high price. Is this a valid contract?
- No, P is guilty of misrepresentation
 - No, P is guilty of fraud
 - Yes, K has an erroneous belief as to the value of the painting.
 - Yes, price is not a criteria for setting aside the contract
- Q73.** 'Price' under the Sale of Goods Act,1930 means
- Money or money's worth
 - Monetary consideration for the sale of goods
 - Any consideration that can be expressed in terms of money
 - None of the above.
- Q74.** The principle evolved in the case of Garner v. Murray (1904) is _____.
- Deficiencies in the capital of the insolvent partner are distributed among the solvent partners in the ratio of their capital
 - Partners have a fiduciary relationship with each other
 - Partners liability is unlimited

- d. Partners can make supernatural profits, provided proper disclosures are made in this regard

Q75. A contingent contract is _____.

- a. A contract to do something if some event collateral to such contract does or does not happen
- b. A contract not to do something if some event collateral to such contract does or does not happen
- c. A contract to do or not to do something if some event collateral to such contract does or does not happen
- d. A contract to do or not to do something if some event collateral to such contract does not happen

Q76. A & B are partners in a partnership firm. A introduced C, a former partner, as his partner to D. C remained silent at that moment, but later on informed D that he is actually a former partner of the firm. C had not issued any public notice in the year of his retirement from the partnership firm. D, a trader knowing well that only A & B are the partners of the firm, supplied 500 refrigerators to the firm on credit. The credit period expired and D did not get the price of his supplies. D filed a suit against A & C for the recovery of price. In light of the above circumstances answer which of the following is correct:

- a. C is liable for the price to D, only if the element of fraudulent intention is present.
- b. C is liable for the price to D, irrespective of the fact, whether the element of fraudulent intention is present or not.
- c. C is not liable for the price to D.
- d. C is liable to D because he had not issued any public notice of his retirement from the partnership firm

Q77. Sanju took a medical insurance from Deadly Diseases Insurance & Claim Corporation of Asia (DDICCA) through one of its agent, Manju. Sanju signed whatever documents were placed before her by Manju in good faith. The documents contained the fact that Sanju was healthy, fit and fine whereas she was actually suffering from chronic asthma and acute allergy. Sanju did not take care to suggest the changes in the documents and the policy was issued based on the above submissions.

- a. Sanju is well protected because she relied on Manju in all good faith.
- b. Sanju is well protected because Manju never specifically asked her about the above issues and so she remained silent.
- c. Sanju has a duty to speak and disclose the above issues.
- d. Sanju has no duty to speak and disclose the above issues. It is the duty of DDICCA and its representatives to ask whatever is required.

Q78. A believes blue colour to be black colour, for any reason whatsoever. He has a garment shop. He sells one blue colour shirt to B, representing it to be black colour. B knows nothing about colour. B believes A and accepts the blue colour to be black colour, Later on B's mother explains B that the colour of the shirt is actually blue and not black. It is a clear case of

- a. Misrepresentation
- b. Fraud
- c. Unintentional fraud
- d. Cheating

Q79. A contracted with Housing Corporation for construction of number of houses. In calculating his price for the houses, A by mistake deducted a particular sum twice over. The Corporation affixed its seal to the contract, which correctly represented its intention.

- a. The contract is now binding
- b. The contract can be avoided by A
- c. There is no contract at all since there is no consensus ad idem
- d. The contract is not binding

- Q80. Kedar promises to make a gift of RS. 5,000 towards the servicing of his car. The service man incurs liabilities on the faith of his promises. Kedar refused to pay as there was not any valid contract between them. Can the serviceman recover the promised amount from Kedar ?**
- The serviceman can recover RS.5000 from Kedar.
 - The serviceman cannot recover anything from Kedar as these was not any valid contract between them
 - The serviceman can recover to the extent of liabilities from Kedar.
 - The serviceman can sue Kedar in the court
- Q81. A is a manufactures of Ball Pen. He advertises in the trade press that in future price of his pen will be RS.5 and strict action will be taken against who is not observing this price .B had read the advertisement but he forgot and retails the pen at RS.8. Advice A:**
- A can take a serious action against B because it was clearly written in the advertisement
 - A cannot take any action as there is no privity of contract between A and B
 - A cannot take any action as it is an unintentional mistake
 - A can take a serious action because B had read the advertisement before retailing.
- Q82. 'A' telegraph to 'B', will you sell me your bungalow? Let me know the "lowest price". 'B' replied, "lowest price of bungalow is \$900". 'A' agreed to buy and asked about his title deeds. To this he received no reply.**
- Yes, 'B' is liable to sell because offer was accepted by 'A'
 - No, there was no contract because 'B' communicated only the lowest price
 - Yes, it became a legal contract with the communication of lowest price by 'B'
 - No, this offer was mere a negotiate offer to receive offer.
- Q83. Peter buys a mosquito killer machine assuming that is worth Rs.50,000.The machine actually is worth only Rs.5,000.The remedy available to Peter is:**
- The agreement can be avoided on the ground of mistake.
 - The agreement cannot be avoided on the ground of mistake.
 - Peter can sue for return of RS.5,000.
 - Peter can sue for recovery of RS.50,000.
- Q84. Z purchases from X a ring, believing it is made of diamond. The fact is that the ring is made of some ordinary stone, which has no value. X knows that Z is mistaken and takes no steps to make Z understand that the ring is not made of Diamond. Z now wants to cancel the contract on the basis of fraud. In the given situation Z :**
- Cannot cancel the contract.
 - Can cancel the contract alleging undue influence.
 - Can cancel the contract alleging fraud.
 - Can claim damages.
- Q85. When person reciprocally promise, first to do certain things which are legal and secondly, under specified circumstances, to do certain other things which are illegal, the first set of promise is a _____ contract, but the second is a _____ agreement.**
- Void, Void
 - Void, Valid
 - Valid, Void
 - Valid, Valid
- Q86. _____ of contract can take place without consideration.**
- Alteration
 - Rescission
 - Novation
 - Remission
- Q87. A buyer will acquire good title for the goods sold by seller who has obtained possession under _____ .**

- a. Illegal contract
- b. Void contract
- c. Voidable Contract
- d. None of the above

Q88. A delivered a horse to B for trial for three days. It was agreed that if found suitable for the buyer for its purposes, the sale then be absolute. The horse died on the second day without the fault of either party, who will bear the loss?

- a. The seller will bear the loss
- b. The buyer will bear the loss
- c. No one will be liable.
- d. Both will bear partial loss.

Q89. In case of Sale of goods, the rule of implied condition that the goods are of merchantable quality _____ Where the buyer has actually examined the goods.

- a. Is applicable
- b. Is not applicable
- c. Is presumed
- d. Exists

Q90. In the absence of any contract to the contrary, insolvency of a partner results in:

- a. Dissolution of partnership, but not of the firm
- b. Dissolution of firm as well as partnership
- c. Neither dissolution of firm nor partnership
- d. None of the above

Q91. On which of the following grounds a partner need not apply to the court for dissolution of the firm

- a. Insolvency of partner
- b. Perpetual losses in the business
- c. Misconduct of a partner
- d. Business becomes unlawful.

Q92. Mr. A purchased a used computer from Mr. B thinking it as a computer imported from England, Mr. B failed to disclose the fact to Mr. A. On knowing the fact Mr. A wants to repudiate the contract. Which of the following statement (s) is correct?

- a. Mr. A can repudiate the contract on the ground of fraud
- b. Mr. A can repudiate the contract on the ground misrepresentation
- c. Mr. A cannot repudiate the contract
- d. Mr. A can repudiate the contract on the ground of mistake

Q93. K, an employee of a Chennai based company, agreed not to employ himself in a similar business within a distance of 800 miles from Chennai after leaving the company's service. The agreement is void on ground of being:

- a. an agreement without consideration
- b. an uncertain agreement
- c. an agreement in restraint of trade
- d. all of the above

Q94. Where consent of the party was caused by misrepresentation but the party had the meand to discover the truth with ordinary diligence, the contract is :

- a. void-ab-initio
- b. valid
- c. voidable
- d. unenforceable

- Q95. One Blenkarn, knowing that Blenkiron & Co. were reputed customers of Lindsay & Co. Placed an order with Lindsay & Co. By introducing himself as Blenkiron, the proprietor of Blenkiron & Co. Goods were then sold to Cundy, an innocent buyer. Lindsay & Co. sued Cundy for recovery of goods. In this case:**
- Cundy has good title to goods and can retain them
 - Sale made by Blenkarn to Cundy is valid
 - Both (a) and (b)
 - Lindsay never intended to contract with Blenkarn, these were no contract. So, Cundy's title is defective.
- Q96. A gives to B Rs.5 Lakhs to be given to C. B informs C that he is holding the money for him. But afterwards B refuses to pay the money. C sues B for the money. B contends that C cannot sue as he was not a party to the contract. Will the contention of B be upheld?**
- Yes
 - No
 - Partly Yes
 - None, of the above
- Q97. A contracts with B to execute certain builders work for a fixed price, with B supplying the scaffolding or timber, necessary for the work. B refuses to furnish any scaffolding or timber, and the work cannot be executed. In this case –**
- A must execute the work.
 - A is excused from executing the work
 - B must execute the work himself
 - B can claim damages from A
- Q98. Ram, Rohit and Kiran jointly borrowed Rs 2,00,000 from Rahim by executing a promisory note. Rohit and Kiran are not traceable. Rahim wants to recover the entire amount from Ram. Ram objects this move by saying he is liable to pay 1/3 of the debt only. Which one of the following statement(s) is correct ?**
- Rahim can recover entire amount from Ram.
 - Rahim can recover only 1/3 of Rs. 2,00,000 from Ram.
 - Rahim cannot recover any amount from Ram.
 - The promisory note is not executable against Ram as Rohit and Kiran are not traceable.
- Q99. Which one of the following is/are document of title of goods?**
- Mate's receipt
 - Wharfinger's certificate
 - Warehouse keeper's certificate
 - (b) & (c)
- Q100. A third party is not affected by the limitation of implied authority unless he has actual notice of it:**
- True
 - False
 - Partly True
 - None

ANSWERS LAW

61.c	62.a	63.b	64.d	65.b	66.a	67.d	68.d
69.a	70.c	71.c	72.c	73.b	74.a	75.c	76.c
77.c	78.a	79.a	80.c	81.b	82.b	83.b	84.a
85.c	86.d	87.c	88.a	89.b	90.b	91.a	92.c
93.c	94.b	95.d	96.b	97.b	98.a	99.d	100.a

- (a) Counter offer (b) Cross offer (c) General offer (d) Special offer

9. A counter offer amounts to:

- (a) Rejection of original offer (b) Acceptance of original offer
(c) Both a and b (d) None of these

10. Tender for supply of goods is an offer, which is allowed to remain open for acceptance over a period of time.

- (a) Cross offer (b) General Offer (c) Standing Offer (d) Unlimited Offer

11. A offers B to supply books @ Rs.100 each but accepted the same with condition of 10% discount. This is a case of

- (a) Counter offer (b) Cross offer
(c) Specific offer (d) General offer

12. An acceptance is not according to the mode prescribed but the offerer decides to keep quite. In such a case there is:

- (a) A contract (b) No contract (c) A voidable contract (d) an unenforceable contract

13. On the 5th of a month X makes an offer to Y, by a letter, which reaches Y on 6th? On the 7th, Y posts his letter of acceptance. Meanwhile, on the 6th X posts a letter to Y revoking the offer. On seeing it Y sends a telegram to X on 8th confirming the acceptance given through his letter of the 7th. Discuss the legal effects of three letters and the telegram:

- (a) There is no contract between X and Y
(b) The contract is concluded between X and Y on 7th when B posts the letter of acceptance
(c) Either (a) or (b)
(d) None of the above

14. Communication of acceptance is complete as against the proposer when:

- (a) Acceptance is put in a course of transmission to him so as to be out of the power of the acceptor
(b) It comes to the knowledge of the proposer
(c) Both (a) and (b)
(d) None of these

15. Communication of acceptance is complete as against the acceptor when:

- (a) Acceptance is put in a course of transmission to him so as to be out of the power of the acceptor
(b) It comes to the knowledge of the proposer
(c) Both (a) and (b)
(d) None of these

ANSWERS OF LAW

01. c 02. c 03. d 04. b 05. b 06. b 07. c 08. b 09. a 10. c 11. a 12. a 13. b 14. a 15. b

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LAW 2nd TEST OF CPT JUNE 2017

15 MARKS

1. A who was badly in need of money offered to sell his piano worth Rs.8,500 to B for Rs.5,000. B refused to buy. A gradually lowered his price until Rs.2,500 was reached, which B accepted. Before the piano was delivered A received an offer of a larger sum from X and he refused to carry out the contract with B claiming that the consideration was inadequate. Is A liable to pay damages to B for failure to carry out his part of contract?
 - a. No, as the consideration was inadequate A cancelled the contract
 - b. Yes, A is liable to pay damages to B for failure to carry out his part of the contract
 - c. No, as the contract was made due to Undue Influence
 - d. Any of the above
2. What does the maxim "Ex Nudo pacto non oriture action", mean?
 - a. An agreement without consideration is void,
 - b. An agreement without consideration is valid.
 - c. An agreement with consideration is void.
 - d. An agreement with consideration cannot be enforced
3. X constructed an market at the instance of District Magistrate. Occupants of shops promised to pay X a commission on articles sold through their shops. Money was not spent by X at the request of the shop occupants, but at instance of a third person viz, the DM office. Which of the following statements is correct?
 - a. X can claim commission or damages from shop occupants
 - b. Shop occupants have to pay the commission to X
 - c. There is no contract since Consideration has not moved at the desire of the Promisor
 - d. X can claim reimbursement from the DM office.
4. A mother owes Rs. 10,000 to her daughter. But this debt has become barred by the Limitation Act. The mother signs a written promise to pay Rs. 3,000 on account of the debt. In such a case which one is correct:
 - a. There is no contract as the debt is already bared by Limitation and so it cannot be revived by as subsequent promise.
 - b. There is no contract because the mother has promised to give only a part of time debt.
 - c. This is enforceable against the mother because such a promise is valid and binding under the Indian Contract Act, 1872.
 - d. None
5. CNP Tyres Ltd. sold tyres to a dealer S, who sold those to D, a sub-dealer on the condition that those tyres would not be sold at a price lower than the list price fixed by CNP Tyres Ltd. and if the tyres were sold at a price lower than the list price, a penalty of \$2 for every tyre sold below that list price would be recovered as damages. D sold five tyres below the list price. CNP Tyres Ltd. filed a suit against S. Is CNP Tyres Ltd. entitled to maintain the suit?
 - a. No, since CNP Tyres Ltd. was not a party to the contract.
 - b. No, since only 5 tyres are involved and the amount is insignificant.
 - c. Yes, as CNP Tyres Ltd. is the producer of the tyres.
 - d. Yes, as CNP Tyres Ltd. sold the tyres to S who in turn sold to D.
6. An assignee being a stranger to a contract:
 - (a) Can sue
 - (b) cannot sue
 - (c) Can use both the options
 - (d) none of these

7. A is indebted to B. He sells a trolley to C. C promises to pay all debts of A to B. If C fails to pay, B has no right to sue C because:

- (a) C is stranger to consideration
- (b) C is stranger to contract
- (c) Both
- (d) None

8. A gives to B Rs.5 Lakhs to be given to C. B informs C that he is holding the money for him. But afterwards B refuses to pay the money. C sues B for the money. B contends that C cannot sue as he was not a party to the contract. Will the contention of B be upheld?

- a. Yes
- b. No
- c. Partly Yes
- d. None, of the above

9. A mortgage was executed in favour of a minor. Can the minor get a Decree for the enforcement of the mortgages?

- (a) Yes
- (b) No.
- (c) Can't
- (d) Mortgage is invalid

10. The person providing necessaries to minor is entitled to be reimbursed from minor's property. This is because of which type of contract.

- (a) Contingent contract
- (b) Quasi Contract
- (c) Voidable Contract
- (d) None of these

11. Om, aged 16 years, falsely representing himself to be of 19 years, enters into an agreement to sell his property to Ravi and receives from Ravi a sum of ` 20,00,000 in advance. Out of this sum Om buys an imported car worth Rs.10,00,000 and spends the rest on a pleasure trip to France. After Ravi attained majority, Ravi sues him for the conveyance of the property or, in the alternative, for the refund of ` 20,00,000 and damages. The agreement between Om and Ravi is:

- a. Voidable at the option of Ravi
- b. Void ab initio as it is a contract with a minor
- c. Would be valid if Om ratifies the agreement on attaining the age of majority
- d. Valid as Om has sold his own property for personal use

12. Ram, a minor got injured his left leg in a football match. He engaged a doctor for the treatment of the leg. The doctor wants to claim for his services from the minor's property. The claim of the doctor is _____ under the Indian Contract Act 1872.

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

13. A corporation cannot enter into Contracts that are-

- a. Ultra vires (beyond powers of) its Memorandum of Association.
- b. Strictly of a personal nature as it is only an artificial person.
- c. either (A) or (B)
- d. neither (A) or (B)

14. "Consensus – ad – adem" means:

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

15. When one party is in a position to dominate the will of other and uses that position to obtain an unfair advantage of the other. The consent is said to be obtained by:

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

ANSWERS OF LAW

01. (b) 02.(a) 03. (c) 04. (c) 05. (a) 06. (a) 07. (b) 08. (a) 09. (a) 10. (b) 11. (b) 12. (a) 13. (a) 14. (d) 15. (b)

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LAW 3rd TEST OF CPT JUNE 2017

15 MARKS

Q1. A fraudulently informs B that A's estate is free from encumbrance. B thereupon buys the estate. The estate is subject to mortgage. Now

- (a) B may avoid the contract (b) B may insist upon its performance
(c) B may get the mortgage debt redeemed (d) All of the above

Q2. Sohan induced Suraj to buy his motorcycle saying that it was in very good condition. After taking the motorcycle, Suraj complained that there were many defects in the motorcycle. Sohan proposed to get it repaired and promised to pay 40% of the repairs after a few days, the motorcycle did not worked at all. In this case Suraj-

- a) Can rescind the contract. b) Has affirmed to the contract and cannot rescind the contract.
c) Can return the motorcycle. d) All the above.

Q3. A Company's prospectus stated that it had the right to use steam power to run its tramways provided the Government authority's consent was obtained. This statement was made on the belief that the Government would grant the consent. But permission was not granted and the Company had to be wound up. In this case, thee Directors are guilty of-

- a) Misrepresentation. b) Fraud.
c) Undue Influence. d) Mistake

Q4. A mistake as to a law not in force in India has the same effect as:

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

Q5. Where the consent of both the parties is given by mistake, the contract is _____

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

Q6. Mistake as to a law not in force in India makes the contract _____

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

Q7. Mr. A purchased a used computer from Mr. B thinking it as a computer imported from England, Mr. B failed to disclose the fact to Mr. A. On knowing the fact Mr. A wants to repudiate the contract. Which of the following statement (s) is correct?

- (a) Mr. A can repudiate the contract on the ground of fraud
(b) Mr. A can repudiate the contract on the ground misrepresentation
(c) Mr. A cannot repudiate the contract
(d) Mr. A can repudiate the contract on the ground of mistake

Q8. An old illiterate man with a feeble eye-sight was made to sign a bill of exchange, by means of a false representation that it was a guarantee bond. The bill of exchange constitutes a / an:

- a) Valid contract
- b) void-ab-initio agreement
- c) Contract voidable at the option of the old man
- d) Illegal agreement

Q9. P offers, to sell a painting to K which P knows is the copy of a well known masterpiece K thinking that the painting is original decides to buy it at a very high price. Is this a valid contract?

- a) No, P is guilty of misrepresentation
- b) No, P is guilty of fraud
- c) Yes, K has an erroneous belief as to the value of the painting.
- d) Yes, price is not a criteria for setting aside the contract

Q10. A contracts with B to buy a necklace, believing it is made of pearls whereas in fact it is made of imitation pearls of no value. B knows that A is mistaken and takes no steps to correct the error. Now A wants to cancel the contract on the basis of fraud. Which of the following statement is correct?

- (a) A can cancel the contract alleging fraud
- (b) A cannot cancel the contract
- (c) A can cancel the contract alleging undue influence
- (d) A can claim damages

Q11. S, a seller of imitation jewellery, sells his business to B and promises, not to carry on business in imitation jewellery and real jewellery and real jewellery. The agreement is:

- (a) Fully valid
- (b) Valid with regard to imitation jewellery, and void as regards real jewellery
- (c) Valid with regard to imitation jewellery, and valid as regards real jewellery

Q12. The contract of "Uberrimac Fidel" means a contract:

- (a) Of good Faith
- (b) of Goodwill
- (c) Guaranteed by a surety
- (d) of Utmost Good Faith

Q13. Amit promise to drop prosecution which he has institute against Babu for robbery. Babu promises to restore value of things taken. The agreement is:

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

Q14. If illegal part cannot be severed from legal part of a covenant, the contract is –

- (a) Void in respect of illegal part only
- (b) Void in respect of legal part only
- (c) Fully valid
- (d) Altogether void

Q15. In case of Illegal Agreements, Collateral Transactions are

- (a) Valid
- (b) Not affected
- (c) Also void
- (d) Enforceable

ANSWERS OF LAW

01. d 02. b 03. a 04. a 05. a 06. a 07. c 08. c 09. c 10. b 11. b 12. d 13. d 14. d 15. b

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LAW 4th TEST OF CPT JUNE 2017

15 MARKS

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

- | | |
|---------------------------|--------------------------|
| (a) Jointly | (b) Severally |
| (c) Jointly and severally | (d) jointly or severally |

2. **In which case time is considered to be essence of contract:**

- (a) Where the parties have expressly agreed to treat the time as the essence of the contract
- (b) Where the non-performance at the specified time operates as an injury to the party
- (c) Where the nature and necessity of the contract requires the performance of the contract within the specified time
- (d) All of above

3. **Supervening impossibility is related to:**

- | | |
|-------------------------|-----------------------|
| (a) Frustration | (b) Quid Pro Quo |
| (c) Privacy of contract | (d) none of the above |

4. **Discharge by mutual agreement may involve _____.**

- (a) Novation
- (b) Rescission
- (c) Alteration
- (d) Novation, Rescission and alteration

5. **Which tender does not discharge the promisor from his liability:**

- | | |
|------------------------|-------------------------|
| (a) Tender of Goods | (b) Tender of money |
| (c) Tender of services | (d) None of these small |

6. **Owing to a strike in the factory of X, he is not able to supply the goods to Y as per the terms of the agreement. The agreement is such a case**

- | | |
|-------------------|------------------------------------|
| (a) Is discharged | (b) Is not discharged |
| (c) Become void | (d) Is voidable at the option of X |

7. **By executing an instrument in writing, all contractual obligations:**

- | | |
|------------------------|-------------------------------|
| (a) Cannot be assigned | (b) Always be assigned orally |
| (c) Can be assigned | (d) none of these |

8. **If a new contract is substituted in place of an existing contract is called:**

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

9. **Acceptance of consideration lesser than that agreed is known as _____**

- | | |
|---------------|----------------|
| (a) Recession | (b) Novation |
| (c) Remission | (d) Alteration |

10. **A promises to paint a picture for B by a certain date for a certain amount. A dies before painting the picture. Which one of the following is correct is such a situation?**

- (a) The agreement does not lapse for A
- (b) The agreement becomes voidable at the option A's legal representatives.
- (c) The agreement becomes unlawful
- (d) The agreement lapses for both parties

11. 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

12. Owing to a strike in the factory of X he is not able to supply the goods to Y 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 X

13. X owes Y two sums, one for Rs.2,000 which is barred by Limitation and another for Rs. 2,500 which is not barred. X pays Y Rs. 1,000 on account generally. Later Y sues for Rs.2,500. X pleads: (i) As to Rs.2,000 that it was time barred, and (ii) As to Rs. 2,500 a part payment of Rs. 1,000.

- (a) Y can appropriate the payment of Rs. 1,000 towards the first debt & X is bound to pay Rs. 2,500 which is not yet barred by limitation
- (b) Both the contentions of X are wrong
- (c) Either (a) or (b)
- (d) Both (a) and (b)

14. G, a film star agreed to act exclusively for Y, a film producer, for one year. During the year, she contracted to act for some other producer. In this case, Y:

- (a) Can restrain G by an injunction
- (b) Cannot sue G at all
- (c) Has to produce the film with other actors only
- (d) cannot restrain G by an injunction

15. The phrase "Quantum Meruit" Literally means:

- (a) As soon as possible
- (b) As much as is earned
- (c) According to merit
- (d) Quantity of goods

ANSWERS OF LAW

01. c 02. d 03. a 04. d 05. b 06. b 07. a 08. c 09. c 10. d 11. a 12. b 13. d 14. a 15. b

AMIT BACHHAWAT TRAINING FORUM

NAME:

SUBJECT OPTED FROM OUR CENTRE:

PH NO:

GUARDIAN PH NO:

LAW 5th TEST OF CPT JUNE 2017

15 MARKS

1. **A agrees to pay Rs. 5,000 to B if it rains and B promises to pay a like amount to A if it does not rain, the agreement is called.**

- (a) Quasi contract
- (b) Contingent contract
- (c) Wagering agreement
- (d) Voidable contract

2. **The difference between contingent contract and wagering agreements are as follows:**

- (a) A wagering agreement consists of reciprocal promises whereas a contingent contract may not contain reciprocal promises.
- (b) In a wagering agreement the uncertain event is the sole determining factor while in a contingent contract the event is only collateral.
- (c) A wagering agreement is void whereas a contingent contract is valid.
- (d) All of the above

3. **The basis of 'Quasi contractual relations' is the:**

- (a) Existence of valid contract between the parties in compliance of Section 10 of The Indian Contract Act,.
- (b) Prevention of unjust enrichment at the expense of others.
- (c) Existence of a voidable contract between the parties
- (d) None of the above

4. **In case of an agreement to sale, if th seller becomes insolvent while the goods are in his possession, the buyer's remedy**

- (a) Is to claim the goods from the official receiver or assignee
- (b) Is to claim dividend from the estate of the seller for the price paid
- (c) Is not available
- (d) Is to file a suit for damages

5. **Essentials involved in appropriation of the goods are**

- (a) The goods should conform to the description and the quality stated in the contract
- (b) The goods must be in a deliverable state
- (c) The goods must be unconditionally appropriated to the contract either by delivery to the buyer or to its agent or the carrier
- (d) All of the above

6. **Which of the following statements is correct in relation to ascertainment of price of goods?**

- (a) Price of goods must be fixed in the contract of sales
- (b) Parties to contract of sale of goods cannot fix the manner of ascertainment of price
- (c) Where parties agree that price of goods has to be fixed by a third person and he does not fix, the agreement is void
- (d) Where the price is not fixed in any manner, the seller is not entitled to any price

7. **Where there is an agreement to sell specific goods and goods subsequently perish before risk passes to the buyer, the agreement becomes**
- (a) Void (b) Voidable
(c) Illegal (d) None of these
8. **In a contract of sale if no price has been fixed by the parties, then the buyer is required to pay:**
- (a) Maximum market price (b) Lowest market price
(c) Reasonable price (d) Average price of the year
9. **In an agreement to sell, buyer _____ goods on insolvency of seller.**
- (a) Cannot claim (b) Can claim
(c) Can conditionally claim (d) None of the above
10. **A sale implies an agreement**
- (a) Plus conveyance of property and creates jus in personam
(b) Plus conveyance of property and creates jus in rem
(c) No conveyance of property and creates jus in rem
(d) No conveyance of property and creates jus in personam
11. **A share certificate is a:**
- (a) Document of title to goods (b) Bill of exchange
(c) Document showing title to goods (d) Instrument of transfer
12. **When a person gives keys of his car to another person, what type of delivery is this?**
- (a) Actual delivery (b) Symbolic delivery
(c) Constructive delivery (d) All of these
13. **In case of a sale the risk of loss resulting from the insolvency of the buyer is borne by _____**
- (a) The seller (b) The buyer
(c) Both of the above (d) General Insurance Company of India
14. **Following conditions are implied in a contract of sale of goods unless the circumstances of the contract show a different intention:**
- (a) Condition as to non – existence of encumbrances (b) Condition as to undisturbed possession
(c) All of the above (d) None of the above
15. **Implied conditions include:**
- (a) Condition as to title (b) Condition in case of sale by description
(c) Condition in case of sale by sample (d) All of these

ANSWERS OF LAW

01.c 02.d 03.b 04.a 05.d 06.c 07.a 08.c 09.d 10.b 11.c 12.b 13.a 14.d 15.d

AMIT BACHHAWAT TRAINING FORUM

NAME:

SUBJECT OPTED FROM OUR CENTRE:

PH NO:

GUARDIAN PH NO:

LAW 6th TEST OF CPT JUNE 2017

15 MARKS

1. **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
2. **Which of the following statements is correct in relation to ascertainment of price of goods?**
 - (a) Price of goods must be fixed in the contract of sales
 - (b) Parties to contract of sale of goods cannot fix the manner of ascertainment of price
 - (c) Where parties agree that price of goods has to be fixed by a third person and he does not fix, the agreement is void
 - (d) Where the price is not fixed in any manner, the seller is not entitled to any price
3. **Goods are said to be in a deliverable state when _____**
 - (a) The buyer may take delivery of them
 - (b) The buyer would, under contract be bound to take delivery of them
 - (c) The seller is in a position to deliver them
 - (d) All of the above
4. **In case of sale of standing trees, the property passes to the buyer when trees are:**
 - (a) Felled and ascertained
 - (b) Not felled but earmarked
 - (c) Counted and ascertained
 - (d) Both (b) and (c)
5. **Stipulation as to time of payment is:**
 - (a) Always deemed to be an essence of a contract of sale
 - (b) Deemed to be an essence of a contract of sale unless otherwise agreed
 - (c) Not deemed to be an essence of a contract of sale unless otherwise agreed
 - (d) None of these
6. **A breach of a condition is treated as a breach of a warranty where the contract is:**
 - (a) Severable and the buyer has accepted the goods or part thereof
 - (b) Not severable and the buyer has accepted the goods or part thereof
 - (c) None of these
7. **Following conditions are implied in a contract of sale of goods unless the circumstances of the contract show a different intention:**
 - (a) Condition as to non – existence of encumbrances
 - (b) Condition as to undisturbed possession
 - (c) All of the above
 - (d) None of the above
8. **In a contract of sale of goods, there is no implied condition as to:**
 - (a) The quality of goods or their fitness for any particular purpose
 - (b) Merchantable Quality
 - (c) Wholesomeness
 - (d) None of these

9. In case where goods are purchased under its patent or brand name, there is no implied _____ - that goods shall be fit for particular purpose.
- (a) Condition (b) Warranty
(c) Any of the above (d) None of the above
10. In a contract of sale, ordinarily there is _____ as to the quality or fitness of goods for any particular purpose:
- (a) An implied warranty (b) An express warranty
(c) No implied Condition (d) No express warranty
11. Which one of the following is not an implied warranty?
- (a) Warranty as to undisturbed possession. (b) Warranty as to existence of encumbrance
(c) Disclosure of dangerous nature of goods (d) Warranty as to quality or fitness by usage of trade
12. In a contract of sale by sample, the bulk of goods must correspond to:
- (a) Sample only (b) Merchantability only
(c) Either Sample or Merchantability (d) Both Sample and Merchantability
13. A lady buys synthetic pearls for a high price thinking that they are natural pearls. The seller does not correct "her mistake. Has she any remedies against the seller?
- (a) The lady has no remedy against the seller as the doctrine of 'Caveat Emptor' applies
(b) She can avoid the contract as there is breach of condition as to quality
(c) The contract is voidable on the ground of fraud
(d) None
14. The rule of caveat emptor does not apply in the case of:
- (a) Fitness for buyers' purpose (b) Sale under a patent or trade name
(c) Usage of trade or consent by fraud (d) All of these
15. A seller cannot give a better title to the buyer than he himself has in case of:
- (a) Sale by a mercantile agent to a bonafied buyer
(b) Sale by one of the joint owners who is in the sole possession of goods with the consent of majority of other joint owners to a bonafied buyer
(c) Sale by a seller who is in possession of goods under a voidable contract to a bonafied buyer
(d) None of these

ANSWERS OF LAW

01. A 02. C 03. B 04. A 05. C 06. B 07. D 08. A 09. A 10. C 11. B 12. D 13. A 14. D 15. D

AMIT BACHHAWAT TRAINING FORUM

NAME:

SUBJECT OPTED FROM OUR CENTRE:

PH NO:

GUARDIAN PH NO:

LAW 7th TEST OF CPT JUNE 2017

15 MARKS

1. **F offered by a letter to buy his nephew N's horse for Rs. 25,000 saying:" If I hear no more about it, I shall consider the horse is mine at RS.25,000". The Nephew did not reply, but he told an auctioneer who was selling his horses not to sell that particular horse as he had sold it to his uncle. By mistake, the auctioneer sold it. F sued the auctioneer for conversion. In this case**
 - a) F can recover the amount from the Auctioneer
 - b) There is no agreement between F and N, as the acceptance was not communicated to F.
 - c) F can claim the horse back from the successful bidder at the auction
 - d) F can claim damages from N.
2. **A woman, falsely misrepresenting herself to be wife of a well known Baron obtained two pearl necklaces from a Firm of jewelers on the pretext of showing them to her husband before buying. She pledged them with a broker who took them in good faith. In this case,-**
 - a) There was no contract between jeweler and impersonating woman.
 - b) Sale made by Jeweler and the woman is valid.
 - c) Pledge made by the woman to the Broker is valid.
 - d) Jeweler has to bear the risk of bad debts.
3. **Which of the following relationships presumption of undue influence?**
 - a) Landlord and Tenant
 - b) Husband and wife
 - c) Fiance and Fiancee
 - d) Creditor and debtor
4. **Kalu applies to a Banker for a loan when the money market is very stringent. Banker says that loan could be provided only at a very high rate of interest. Kalu accepts to such high interest. Kalu's consent is -**
 - a) Not obtained by undue influence.
 - b) Obtained by undue influence,
 - c) Not obtained by coercion
 - d) Obtained by coercion
5. **Where a contract contains reciprocal promises and one of them cannot be performed or its performance cannot be claimed till the other promise is performed; and there is a failure to perform the promise which is to be performed first**
 - a) Defaulting promisor cannot claim performance of the reciprocal promise.
 - b) Defaulting Promisor shall compensate the other party to the contract for any loss suffered by him as a result of his non performance.
 - c) Both (A) and (B)
 - d) The Contract becomes voidable at the option of the aggrieved party.
6. **In India, Courts will refuse to enforce Champerty and Maintenance agreements only when they are found to be extortionate and unconscionable and not made with the bona fide object of assisting claims of person unable to carry on litigation himself.**
 - a) True
 - b) Partly true
 - c) False
 - d) None of the above
7. **"Maintenance" tends to encourage**
 - a) purposive litigation.

- b) Public interest litigation.
c) Speculative litigation.
d) Circuit of action
8. **K, an employee of a Chennai based company, agreed not to employ himself in a similar business within a distance of 800 miles from Chennai after leaving the company's service. The agreement is void on ground of being:**
a) an agreement without consideration
b) an uncertain agreement
c) an agreement in restraint of trade
d) all of the above
9. **Where a person enters into a wagering transaction through an agent, and the agent fails transaction through an agent, and the agent fails to carry out the Principal's instructions**
a) Principal can sue Agent for breach of contract of agency.
b) Principal cannot sue Agent for breach of contract of agency.
c) Principal can sue Agent for damagers,
d) Principal cannot sue agent to recover the betting moneys paid.
10. **A, a singer agreed with B to perform at his theatre for two months, on a condition that during that period, he would not perform anywhere else. When A performs somewhere else, D could move the Court for -**
a) Grant of Injunction restraining A, from performing in other places
b) Allowing A to perform in other places
c) Allowing B to perform in other places
d) all of the above
11. **A contracts with B to execute certain builders work for a fixed price, with B supplying the scaffolding or timber, necessary for the work. B refuses to furnish any scaffolding or timber and the work cannot be executed. In this case -**
a) A must execute the work.
b) A is excused from executing the work
c) B must execute the work himself
d) B can claim damages from A
12. **Ram, Rohit and Kiran jointly borrowed Rs 2,00,000 from Rahim by executing a promissory note. Rohit and Kiran are not traceable. Rahim wants to recover the entire amount from Ram. Ram objects this move by saying he is liable to pay 1/3 of the debt only. Which one of the following statement(s) is correct?**
a) Rahim can recover entire amount from Ram.
b) Rahim can recover only 1/3 of Rs. 2,00,000 from Ram.
c) Rahim cannot recover any amount from Ram.
d) The promissory note is not executable against Ram as Rohit and Kiran are not traceable.
13. **A promises to deliver goods to B's warehouse on 1st January. On that day, A brings the goods to B's warehouse, but after the usual hour for closing the warehouse and they are not received. Has A performed his promise?**
a) Yes
b) No
c) Partly Yes
d) None of the above
14. **A bill of Exchange which was accepted by X reaches X's hands after being negotiated and endorsed through 3 other parties. The contract is -**
a) Valid
b) Void
c) Discharged
d) Voidable
15. **Owner of a cinema-hall contracts to exhibit a film in the month of October. In month of September, the hall collapsed during an earthquake, the contract**
a) Is valid and binds the owner of the cinema hall to exhibit the film
b) Is not frustrated
c) Has become impossible to perform
d) Has to be honored and so the owner should reconstruct the hall exhibit the film.

Answers

**1.B 2.A 3.Q IS WRONG 4.A 5.C 6.A 7.C 8.C 9.B 10.A 11.B 12.A 13.B 14.C
15.C**

AMIT BACHHAWAT TRAINING FORUM

NAME:

SUBJECT OPTED FROM OUR CENTRE:

PH NO:

GUARDIAN PH NO:

LAW 8th TEST OF CPT JUNE 2017

15 MARKS

- The expression Property of the firm denotes all property, rights and interest to which _____ may be entitled:
 - All partners severally
 - All partners & third parties
 - All partners collectively
 - All of the above
- Prior to enactment of The Indian Partnership Act, 1932, the law relating to partnership in India were embodied in:
 - Companies Act
 - Chapter XI of the Indian Contract Act
 - Hindu Law
 - Chapter X of the Indian Contract Act
- Robert, who is a sleeping partner in the firm wanted to inspect the books of accounts of the partnership firm due to certain allegations of financial impropriety by some of the partners. The other partners in the firm objected to the same and denied access to book of accounts. The action of the other partners is _____.
 - Not correct since Robert has right of access to books of accounts
 - Valid since Robert is a sleeping partner who has no such rights
 - Valid since a partner has no right access to books of accounts
 - Valid since the reason cited by Robert is unacceptable
- An act of a partner for acquiring an immovable property on behalf of the firm is within the provision of _____ authority under the Indian Partnership Act, 1932.
 - Implied
 - Semi Implied
 - Restricted
 - Express
- Mini was a partner in a firm. The firm ordered goods in Mini's life time, but delivery was not made until after Mini's death. The supplier of the goods claims to be paid out of Mini's estate. Advise Mini's representatives:
 - Mini's estate is not liable for the price in an action for goods sold and delivered, as there was no debt in respect of the goods in Mini's life time
 - Mini's estate is not liable for the price in an action for goods sold and delivered
 - Mini's estate is liable as the firm ordered goods in Mini's lifetime
 - None of the above
- A third party deals with the firm without knowledge that 'A' (a sleeping partner) has retired from the firm. In such a case, "A"
 - Is not liable to the third parties
 - Is liable to the third parties
 - Is liable to firm
 - Is liable to continuing partners
- XYZ a partnership firm was constituted on 1.4.2008. On 25th April the partners resolved to get the firm registered with the Registrar of Firm. The firm prepared the necessary documents for registration on 26th April, which were signed on 28th April. They send the documents to the Registrar office on 30th April by Registered post which was

received in the Registrar office on 4th May, 2008. The Registrar filed the statement and entered the firms name in the Register of Firms on 20th May, 2008. The firm will be deemed to have been registered on:

- (a) 30th April
- (b) 28th April
- (c) 20th May
- (d) 4th May

8. Which one of the following is not a case of just and equitable ground for dissolution of firm by the Court?

- (a) Deadlock in Management
- (b) Mutual agreement by partners
- (c) Loss of substratum of firm
- (d) Partners are not in taking terms

9. The non-registration of a firm does not affect the right of the firm

- (a) To file a suit for the recovery of more than Rs.100
- (b) To file a suit for the recovery of less than Rs.100
- (c) To file a suit against a partner for recovery of money due by him
- (d) To claim a set-off exceeding Rs.100

10. Nature of the partnership is:

- (a) Involuntary and Contractual
- (b) Statutory and Contractual
- (c) Voluntary and Contractual
- (d) Economical & Ethical

11. The registration of firm may be effected _____.

- (a) At any time during life of partnership firm
- (b) At anytime after filing a suit
- (c) After dissolution of a firm
- (d) Either (b) or (c)

12. Which of the following needs to be given to the partners even after dissolution of the firm:

- (a) Interest on advances
- (b) Interest on capital
- (c) Remuneration
- (d) None of the above.

13. A partnership firm will not be Compulsory dissolved if _____

- (a) One of the partners of the firm becomes insolvent
- (b) The business of the firm becomes illegal
- (c) Only one of the several business which can be separated from the other business of the firm becomes illegal
- (d) The different business run by the firm cannot be separated

14. A retiring partner does not have the following except:

- (a) To carry on any business
- (b) To use firm's name
- (c) To represent himself as carrying on business of the firm
- (d) To solicit customers from the persons who were dealing with the firm before his retirement

15. Ram, Rohit and Kiran Jointly borrowed Rs.2,00,000 from Rahim by executing a promissory note. Rohit and Kiran are not traceable. Rahim wants to recover the entire amount from Ram. Ram objected this move by saying he is liable to pay 1/3 of the debt only. Which of the following statement(s) is correct?

- (a) Rahim can recover the entire amount from Ram
- (b) Rahim can only recover 1/3 of Rs.2,00,000 from Ram
- (c) Rahim cannot recover any amount from Ram
- (d) The promissory note is not executable against Ram as Rohit and Kiran are not traceable

Answers

1.D 2.D 3.A 4.D 5.A 6.A 7.C 8.B 9.B 10.C 11.A 12.A 13.C 14.A 15.A