

# AMIT BACHHAWAT TRAINING FORUM

125, MUKTARAM BABU STREET, KOLKATA-700007

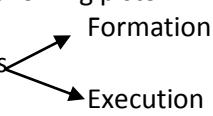
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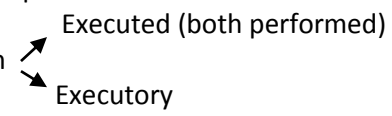
## CPT MEGA REVISION SHEET

### CPT (1<sup>ST</sup> CLASS)

1. Law / Statute / Enactment / Legislation.
2. How is an Act passed?
3. Indian Contract Act is based on English Common law.
4. Enactment date 25-4-1872 act came into force from 1<sup>st</sup> September 1872
5. Precedents
6. Mercantile law / Business Law / Commercial Law
7. Meaning of Plaintiff, Defendant
8. Social agreements not enforceable by court of law
9. Images of Amitabh- Jaya, Amitabh- Abhishek
10. Juristic concept of contract
11. All contracts are agreements but all agreements are not contracts
12. Invitation to offer, offer , acceptance images of shopper stop window sales, menu card , window shopping , auction sales advertisement images of auction page: 5
13. Simple meaning of void agreement, void contract , voidable contract with images of minor, Gabbar Singh, Chamiya
14. Meaning of Proposal
15. Meaning of Enforceable , abstenance , abstain

### CPT (2<sup>nd</sup> CLASS)

16. Revision of Invitation to offer , offer , acceptance
17. Meaning of consideration with refrence to Ram – Sita example
18. Reciprocal Promises
19. Image of Shahid Kapoor showing pistol – Rev. of voidable contract
20. Classification of contracts 

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graph LR; A[Classification of contracts] --> B[Formation]; A --> C[Execution]
```
21. Images of bus standing at bus stop –implied (gesture circumstances )
22. Taxi – Gesture – stopped – u sat – Taxi put the meter on – implied contract.
23. Tacit Contract – Drama of ATM , Auction Hammer
24. Express Contract – words spoken or written
25. On the Basis of execution 

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graph LR; A[On the Basis of execution] --> B[Executed (both performed)]; A --> C[Executory]
```

Executed , cash sales

26. Image of Railway to recall executor booked ticket

27. Executory 

COMPLEX BOOKING

28. General Offer , Specific offer, cross offer, counter offer

Specific offer → to a definite person / definite persons ( Ex- offer to a definite person standing in a crowd)

Counter offer → rejection of the offer

Qualified Acceptance

Standing Offer / Open Offer

- a. Tender Invited
- b. Rate Selected
- c. Offer
- d. When goods will be demanded at that approved rate it is acceptance

29. Essential of Valid offer

30. Reward can be claimed only after having knowledge about the award

Lalman Shukla vs Gauri Dutt

Nephew Lost

31. Page – 12 point Teacher Student Relation

32. Page – 2 (Jus in personam)  
Jus in Rem (Building Contract)  
↓  
Both Just in personam against builder  
Jus in Rem

### INDIAN CONTRACT ACT (3<sup>RD</sup> CLASS)

33. Essential features of valid acceptance especially point- 6, 5

34. When does offer come to an end point – 1 (Tricky)

35. Images to explain revocation

36. Special Terms (Laundry , Hotel)

37. An agreement to agree in future is not legally binding

38. Page – 1 2<sup>nd</sup> para →

Special Acts → TP Act , SCRA ( for contracts over Stock Exchange)

Indian Contract Act do not cover all types of contracts , do not cover all types of rights , obligation

39. Meaning of UNENFORCEABLE contract ( page – 7) Limitation period over

40. MOU Memorandum of Understanding- It contains a clause that is not legally enforceablebut it contains rights & obligations for mutual understanding.

### INDIAN CONTRACT ACT ( 4<sup>TH</sup> CLASS)

41. Consideration started

Quid pro Quo → something in return

42. Charitable Promise example

43. Legal Rules to Consideration

PPT's shown → Durga Prasad vs Baldeo , Chinnaya vs Ramaya

44. Consideration may be act or abstinence or return promise or for bearance ( page 3 example )

45. For past consideration

Images of fire, swimming pool

- 46. Present / Executed consideration  
Future / executor
- 47. Inadequacy of consideration is not a ground for cancelling the contract. Courts are not considered with adequacy of consideration .
- 48. Point 7 ( Legal Rule of Consideration ) Typical Language for MCQ
- 49. Stranger to contract cannot file the case. But stranger to consideration can file ( Mama , Maternal Uncle)
- 50. Exception to Doctrine of privity to contract
- 51. Assignment of contract → LIC policy assigned
- 52. Even principal can file case against 3<sup>rd</sup> party for the contracts entered through agent
- 53. Exceptions mentioned in Sec 25 just started the heading

### INDIAN CONTRACT ACT (5<sup>TH</sup> CLASS)

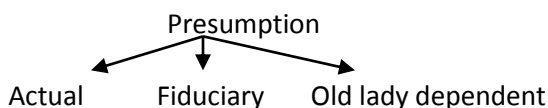
- 54. Capacity to Contract Started
- 55. Age of majority → 18 yrs → according to the Indian Majority Act , 1875
- 56. Image of drunken person ( Amitabh ) Sharabi Movie
- 57. Meaning of Idiot → Permanently Unsound  
Lunatic → person suffering from intermittent intervals of sanity , insanity
- 58. MCQ on points of unsound mind
- 59. Rule of Estoppel and restitution not applicable in case of minor
- 60. Meaning of Ratification explained  
→ Later on approved unauthorized act , Mobile phone bought for Sir without being asked but sir pays and accept the mobile
- 61. If a minor fraudulently represents age he can plead minority. Ex→ Drama Shown
- 62. Necessaries supplied to Minor will be recovered out of property of the minor
- 63. Minor can be an agent
- 64. Minor can buy fully paid up shares
- 65. Co. cannot enter into contracts beyond objects clause of MOA
- 66. Foreign Diplomats can be sued only in following cases:-  
Minor and major executed a promissory note. Is this promissory note valid.  
Note → Minor can become apprentice

Remaining part of consideration done in 5<sup>th</sup> Class

- A. Sec 25 Natural Love and affection All 4 points must be satisfied to claim the exemption
- B. GRATITUOUS Bailment
- C. Meaning of Time Barred Debt

### FREE CONSENT STARTED (6<sup>TH</sup> CLASS)

- 67. Error in causa → Lack of free consent  
Error in consensus → No consent images of 3 horses
- 68. Images of Gabbar Singh → Coercion  
Amitabh- Abhishek → Undue
- 69. Threat to commit to suicide is coercion
- 70. Undue Influence → Moral Coercion also known as Equitable Fraud  
Lawyer Client (SRK – Rani Mukherjee)  
Veer Zara

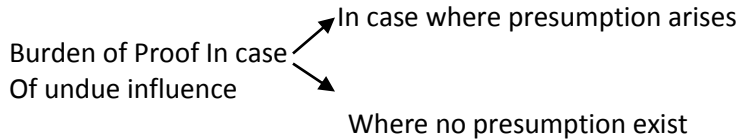


Authority

Doctor Patient  
Trustee Beneficiary  
Religious Advisor Disciple

71. Difference between Coercion & Undue Influence

Burden of Proof



Fraud → image of fair and lovely

Def. of fraud explained Sec 17 all 5 points to be learnt

The representation must have cheated the party & and the party , must have suffered.

( Example on Loss prospectus containing )

Consequences → V. Imp

Loss of right of rescission

Silence → Amounting to fraud ?? ( Image of person falling from unsound horse)

Repudiate Canal

(Image of Shakti Kapoor)

## CPT 8TH CLASS

72. Misrepresentation started.

73. Difference between fraud & misrepresentation.

74. Mistake chart explained with examples-

Mistake as to the price of the subject matter- Sir's example- He purchased during sale of a shirt on which by mistake wrong price was quoted by Shoppers Stop.

## CPT 9TH CLASS

75. An agreement entered into between parties with a fraudulent purpose is void agreement

76. During War if contract is Void Agreement

77. Agreement in restraint of minor' s agreement is void agreement

78. Agreement of legal proceeding is void but an agreement by which parties decide to approach an Arbitrator instead of courts is valid

Dictation Given

79. Agreement in restraint of parental rights is void

80. Agreement interference with Martial duties is void

81. Illegal Agreement Also explained

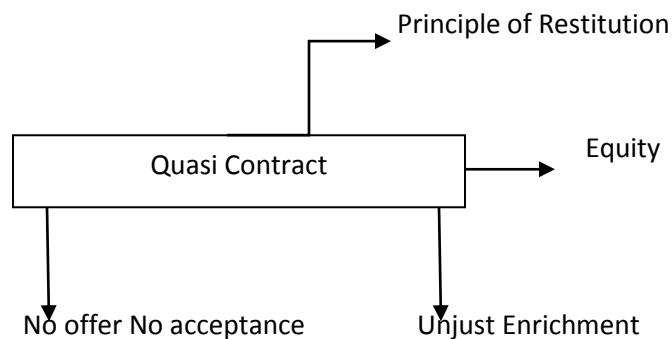
82. Lawful objects & consideration-

- Champerty, Maintenance
- composition of certain offences
- Negative stipulations in service agreement

- Monopoly

## CPT 10TH CLASS

83. Wagering Agreements- Must read all points of essentials of a wagering agreement.
84. Transactions which are not wagers.
85. Collateral transactions to wagering agreements. (Drama explained)
86. Collateral transactions to illegal agreement.
87. Position of wagering agreement in Gujrat & Maharashtra - Void as well as illegal.
88. Special emphasis on-
- Shares transactions
  - Crossword competition
89. Difference between- a.) Wagering Agreement & Insurance Contract.  
b.) Wagering Agreement & Contingent Contract
90. Even in other Competition of skill (Ex- athletic competition) prize should not exceed Rs.1000 else it is void agreement.
91. Principle (P) - Agent (A)  
A buys lottery ticket on behalf of P will reimburse later ?  
A cannot recover from P. If P wins lottery can he recover the agent.



5 cases Sec 68 to 72

Example- Drama done, Milkman delivered by mistake to someone else, finder of mobile.

## CPT 11TH CLASS

### Performance of Contract

92. Actual performance
93. Attempted Performance/ Tender
94. Who can perform
95. Where personal skill involved, agent cannot perform.
96. Q on Joint Promisor
97. Q on Joint Promisee
98. If all Joint promisor dies legal representative of all deceased promisors will liable but to the extent of assets inherited.

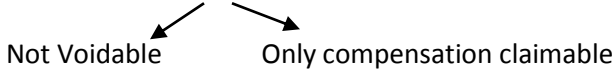
- 99. Sharing of loss in case of default by joint promisor.
- 100. Release of Joint Promisor
- 101. Joint Promisee
- 102. Table on page 58 - Tender of good & Tender of Money
- 103. Time as essence of contract presumptions.

Can price be considered as essential term if written beforehand.

- Consequences of non performance within time (Sec 55)

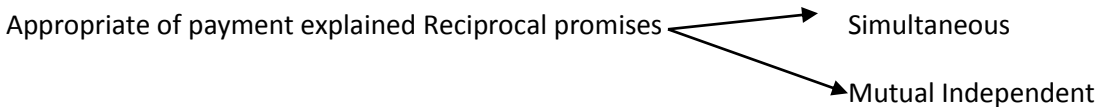
Example of Dominos Pizza if delayed performance accepted compensation will be claimed if at the time of acceptance, he gives notice to the promisor of his intension.

- If time is not essence



Example of Bengal Unitech given - delay in giving possession of flats.

Dictation given on cases on where time is not considered essential term.



One example dictated from Ref book scaffolding.

## CPT 12<sup>th</sup> CLASS

### Succession

Learn the Def. of Contingent contract by heart as it is reflected in MCQ in a very

- Confusing manner
- Some corrections done while teaching in point 2 (a) non happening rectified as happening and can rectified as cant
- Examples given on the word " if" collateral
- Case 'b' to 'e' are also uncommon
- QUANTUM MERUIT → propotionate payment according to the work done Example given

In Performance 2<sup>nd</sup> Class

Reusa – Reciprocal promiesies where one set of promise is legal and another set of promise is legal & another set of promise is illegal on page 57 one dictation

Drama given done on assignment and Successiable

Actionable claims are assigned even without consideration and dictation

Sec 46 to 50

One chart shown on Time and place of performance revised

Sec 64 Restoration of Benefit under voidable contract

Sec 65 Also Void Contract/ Void Agreement

## CPT 13<sup>th</sup> CLASS

- 104. Difference between Novation & Alteration
- 105. Remission → Partial waiver
- 106. Waiver → Complete waiver
- 107. 6 names → Discharge by Mutual Consent
- 108. Discharge by operation of Law
- 109. What are not cases of supervening impossibility
- 110. Anticipatory breach also known as constructive breach
- 111. Vindictive damages / Exemplary damages / punitive damages
- 112. Damages = MP on the date of breach    contract price
- 113. Special damage can only be claimed if mentioned in contract
- 114. Remote damages cannot be claimed
- 115. Liquidated damages Vs Penalty

Discharge of Contract



Chart to be Revised

Remedies for breach



Chart to be Revised

Zee TV → Deboject Example

Small discussion on Quantum Meruit

MCQ's on Case studies → Liquidated damages ( Bollywood )

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**MODEL TEST PAPER-BOS/CPT-17**

Q.66 Q.67 Q.81 Q.82 Q.90 Q.99

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Q.78 Q.86 Q.90 Q.91 Q.96 Q.97

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Q.72 Q.81 Q.99 Q.100

### **MODEL TEST PAPER-BOS/CPT-10**

Q.72 Q.79 Q.81 Q.85 Q.86 Q.87 Q.99

**CA INSTITUTE THIN THEORY MAT****THE INDIAN CONTRACT ACT, 1872 (page 66-89)**

Q.18 Q.32 Q.77 Q.82 Q.89 Q.90 Q.95 Q.97 Q.103 Q.116 Q.161 Q.164

**THE SALE OF GOODS ACT, 1930 (page 126-139)**

Q.21 Q.31 Q.41 Q.46 Q.48 Q.61 Q.68 Q.71 Q.118

**THE INDIAN PARTNERSHIP ACT, 1932 (page 183-190)**

Q.1 Q.15 Q.17 Q.26 Q.32 Q.51 Q.56 Q.57 Q.63

**PRACTICE SHEET FOR CPT/CS FOUNDATION/CMA**  
**FOUNDATION**  
**FROM OUR WORK BOOK**

**CHAPTER – 2****THE SALE OF GOODS ACT, 1930****UNIT – 1 FORMATION OF THE CONTRACT OF SALE**

Q.13	Q.21	Q.22	Q.29	Q.37	Q.44	Q.50	Q.54
Q.58	Q.60	Q.61	Q.65	Q.66	Q.73	Q.80	Q.85
Q.86	Q.87	Q.88	Q.89	Q.97	Q.100	Q.104	Q.106
Q.121	Q.129	Q.136	Q.139	Q.140	Q.150	Q.176	

**CHAPTER – 2****THE SALE OF GOODS ACT, 1930****UNIT – 2 CONDITIONS AND WARRANTIES**

Q.1	Q.3	Q.8	Q.9	Q.15	Q.21	Q.25	Q.40
Q.48	Q.59	Q.65	Q.75				

**CHAPTER – 2****THE SALE OF GOODS ACT, 1930****UNIT – 3 TRANSFER OF OWNERSHIP AND DELIVERY OF GOODS**

Q.1	Q.2	Q.3	Q.6	Q.9	Q.12	Q.15	Q.24
Q.25	Q.25	Q.26	Q.28	Q.32	Q.37	Q.38	Q.39
Q.40	Q.41	Q.43	Q.47	Q.49	Q.54	Q.55	Q.56
Q.60	Q.64	Q.68	Q.71	Q.72	Q.73	Q.80	Q.129

**CHAPTER – 2****THE SALE OF GOODS ACT, 1930****UNIT – 4 UNPAID SELLERS AND AUCTION SALE**

Q.3	Q.6	Q.15	Q.20	Q.24	Q.26	Q.27	Q.30
Q.32	Q.36	Q.38	Q.43	Q.46	Q.47	Q.50	Q.85
Q.111							

**CHAPTER – 3****INDIAN PARTNERSHIP ACT, 1932****UNIT – 1 GENERAL NATURE OF A PARTNERSHIP**

Q.1	Q.2	Q.7	Q.8	Q.14	Q.15	Q.16	Q.17
Q.19	Q.20	Q.22	Q.26	Q.27	Q.28	Q.29	Q.31
Q.32	Q.36	Q.37	Q.39	Q.40	Q.43	Q.44	Q.45
Q.50	Q.51	Q.54	Q.56	Q.57	Q.68	Q.73	Q.76
Q.80	Q.84	Q.85	Q.87	Q.88	Q.93	Q.98	
Q.100	Q.101	Q.102	Q.104	Q.105	Q.106	Q.107	
Q.114	Q.124	Q.127	Q.156	Q.193	Q.224	Q.230	

**CHAPTER – 3****INDIAN PARTNERSHIP ACT, 1932****UNIT – 2 RELATION OF PARTNERS**

Q.2	Q.5	Q.11	Q.22	Q.24	Q.27	Q.29	Q.31
Q.32	Q.36	Q.37	Q.38	Q.41	Q.48	Q.49	Q.50
Q.51	Q.56	Q.59	Q.60	Q.63	Q.73	Q.76	Q.77
Q.79	Q.90	Q.104	Q.107	Q.108	Q.110	Q.111	
Q.112	Q.131	Q.133	Q.149				

**CHAPTER – 3****INDIAN PARTNERSHIP ACT, 1932****UNIT – 3 REGISTRATIONS AND DISSOLUTION OF A FIRM**

Q.6	Q.7	Q.8	Q.10	Q.17	Q.18	Q.21	Q.22
Q.23	Q.24	Q.27	Q.30	Q.35	Q.36	Q.43	Q.44
Q.51	Q.52	Q.57	Q.58	Q.59	Q.60	Q.67	Q.72
Q.121	Q.179	Q.180	Q.182	Q.184			

## **MORE PRACTICE QUESTIONS**

### **NATURE OF CONTRACT**

- Q1. When the contract is perfectly valid in its substance but cannot be enforced because of certain technical defects. This is called a/an**
- a) Unilateral Contract
  - b) Bilateral Contract
  - c) Unenforceable Contract
  - d) Void Contract
- Q2. In Q. 32 above, when is the communication of the acceptance complete as against acceptor?**
- a) 6th January
  - b) 10th January
  - c) 11th January
  - d) 14th January
- Q3. Counter offer/cross offer made by the other party, does not terminate the original offer.**
- a) True
  - b) Partly true
  - c) False
  - d) None of the above
- Q4. 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.
- Q5. Which of the following is an Offer?**
- a) Mere quotation of terms by trader
  - b) Quotation of the lowest price in answer to an enquiry
  - c) Advertisement for sale or auction of goods
  - d) Bids in an auction sale.
- Q6. 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)
- Q7. Special terms in an offer are said to be communicated and thus binding**
- a) When the offeree has actually read then
  - b) Where the attention of the offeree has been drawn to such terms and conditions.
  - c) Either (a) or (b)
  - d) Neither (a) nor (b).

- Q8. Which of these contracts can be specifically enforced?**  
a) When there is lack of standard for ascertaining the actual damages  
b) When compensation in money is not an adequate relief  
c) Both  
d) None of these
- Q9. 'X' without the request of anybody, extinguishes the fire of Y's Godown. 'X' suffers injury thereby if 'Y' promises to compensate 'X' for the whole amount he has spent for his treatment then the contract is**  
a) Unenforceable because it is immoral  
b) Void for want of consideration  
c) Voidable  
d) Enforceable

## CONSIDERATION

- Q1. 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.
- Q2. An executory Consideration is**  
a) Consideration promised by executive of a Company.  
b) Consideration which consists simply of a mutual exchange of promise each being a consideration for the other  
c) Consideration which should be executed before the Registrar.  
d) Consideration which should be executed before the Court.
- Q3. Adequacy of consideration is to be seen from the view point of**  
a) Court  
b) Promisee  
c) Promisor  
d) Beneficiary
- Q4. An executory Consideration**  
a) Is an outstanding liability on both the, parties.  
b) Consists of a promise in future.  
c) Is a promise for a promise  
d) All of the above
- Q5. Consideration and objects are unlawful when it is**  
a) Fraudulent  
b) Forbidden by law or defeat any provision of any law  
c) Is immoral and against the public policy  
d) All of the above.
- Q6. Which of these is a not a "necessary" for a minor?**

- a) Lending money to a Minor for defending a suit on his behalf in which his property is in jeopardy.
- b) Lending money to a Minor for defending him in a necessary prosecution.
- c) Lending money to a minor for paying his creditors in respect of horse racing and betting debts.
- d) Lending money to a minor for saving his property from sale in execution of a decree.

**Q7. An agreement to discover treasure by magic is void on grounds of -**

- a) Initial Impossibility
- b) Subsequent Impossibility
- c) Lack of Consideration
- d) Supervening Impossibility.

**Q8. Forbearance to sue to promisor in return for a promise made by the promisor**

- a) Always serves as good consideration
- b) Does not serve as good consideration
- c) Serves as good consideration if it is induced by coercion
- d) Serves as good consideration only when it is induced by the request of the promissor

## FREE CONSENT

**Q1. 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.

**Q2. 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.

**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, the Directors are guilty of**

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

**Q4. X bought shares in a company on the faith of a prospectus that contained an untrue statement as to O the directorship of J.X had never heard of J and hence such statement was immaterial from his view point. X claimed damages for fraud. His claim will be dismissed on the ground that**

- a) There was no fraud at all.



- b) Fraud in company prospectus is not covered by Indian Contract Act.
- c) The untrue statement had not induced him to buy the shares.
- d) all of the above

**Q5. 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

**Q6. 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.

**Q7. A father K having two minor sons, agreed to transfer their guardianship in favour of Mrs. A and agreed not to revoke it. Subsequently, he filed a suit for recovery of boys and a declaration that he was the rightful guardian. In this case**

- a) K has the right to revoke his authority and get back the children.
- b) K does not have the right to revoke his authority and get back the children.
- c) K's agreement is void because both his sons were Minors.
- d) K's agreement is valid but not enforceable since consideration is not given.

**Q8. 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.

**Q9. Trade combination agreements like opening and closing of business ventures, licensing of traders, supervision and control of dealers, etc. are**

- a) Void since they are in restraint of trade.
- b) Valid even if they are in restraint of trade.
- c) Voidable at the option of the aggrieved party.
- d) Immoral and hence void ab initio.

**Q10. 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

- Q11. A father K having two minor sons, agreed to transfer their guardianship in favour of Mrs. A and agreed not to revoke it. Subsequently, he filed a suit for recovery of boys and a declaration that he was the rightful guardian. In this case**
- a) K has the right to revoke his authority and get back the children.
  - b) K does not have the right to revoke his authority and get back the children.
  - c) K's agreement is void because both his sons were Minors.
  - d) K's agreement is valid but not enforceable since consideration is not given.
- Q12. "Maintenance" tends to encourage**
- a) purposive litigation.
  - b) Public interest litigation.
  - c) Speculative litigation.
  - d) Circuit of action.
- Q13. Which of the following is not a feature of a Wagering agreement?**
- a) Mutual chance of gain or loss
  - b) Uncertainty of future events
  - c) Neither party to control over the event.
  - d) One of the parties have an interest in the event.
- Q14. 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 work 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.
- Q15. 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
- Q16. A, in Mumbai, bets with B and loses. A applies to C for a loan in order to pay B. C gives the loan to A knowing the purpose. In this case:**
- a) C can recover the amount of loan from A
  - b) C cannot recover the amount of loan from A
  - c) C can recover the amount from B
  - d) C can recover the amount from A or B
- Q17. A believes that a particular kind of rice is being sold in the market at Rs. 3,000/- per quintal and, therefore, sells rice of that kind to B at Rs. 3,000 per quintal. But, in fact, the market price was Rs. 4,000. The contract is:**
- a) Valid
  - b) Void
  - c) Voidable

d) Illegal

- Q18. A purchased a used computer from B thinking it as a computer imported from USA, B failed to disclose the fact to A. On knowing the fact A wants to repudiate the contract. Which of the following statement(s) is correct?**
- a) A can repudiate the contract on the ground of fraud
  - b) A can repudiate the contract on the ground of misrepresentation
  - c) A cannot repudiate the contract
  - d) A can repudiate the contract on the ground of mistake
- Q19. Where consent of the party was caused by misrepresentation but the party had the meant to discover the truth with ordinary diligence, the contract is :**
- a) void-ab-initio
  - b) valid
  - c) voidable
  - d) unenforceable
- Q20. 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 was then sold to Cundy, an innocent buyer. Lindsay & Co. sued Cundy for recovery of goods. In this case:**
- a) Cundy has good title to goods and can retain them
  - b) Sale made by Blenkarn to Cundy is valid
  - c) Both (a) and (b)
  - d) Lindsay never intended to contract with Blenkarn, these was no contract. So, Cundy's title is defective.
- Q21. The concept of "Duress" under English Contract Law is similar to**
- a) Coercion
  - b) Fraud
  - c) Undue Influence
  - d) Misrepresentation
- Q22. Under English Law, if the threat is in relation to goods or property of another person, it is not duress.**
- a) True
  - b) Partly True
  - c) False
  - d) Partly False
- Q23. The rule of impossibility is contained in \_\_\_\_\_ of the Indian Contract Act.**
- a) Section 56
  - b) Section 58
  - c) Section 60
  - d) Section 62.

## PERFORMANCE OF CONTRACT

- Q1. A, bets with B and loses, A applies to C for a loan in order to pay B. C gives the loan to A to enable him to pay B. In this case**
- a) C can recover the amount of loan from A

- b) C cannot recover the amount of loan from A
- c) C can recover the amount from B
- d) C can recover the amount from A or B.

- Q2. 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.
- Q3. A subscription/contribution made for, or an agreement to subscribe/contribute entered into towards, any plate, prize or sum of money, of the value or amount of Rs. 500 or more, to be awarded to the winner of a horse race, is**
- a) voidable.
  - b) void.
  - c) valid.
  - d) unenforceable.
- Q4. 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
- Q5. A owes D Rs. 50,000. Due date for payment is 25th March. On 25th March, B agrees to take a piece of land belonging to A, worth Rs.40,000 in satisfaction of the debt. The debt is discharged on account of**
- a) Remission of part of the performance of a promise
  - b) Extension time of performance
  - c) Acceptance of any other satisfaction instead of performance
  - d) All of the above
- Q6. Under assignment of contract under the Indian Contract Act -**
- a) Burden under the contract cannot be assigned without the consent of the other party
  - b) Benefits under the contract can be assigned without the consent of the other party
  - c) Both (a) & (b)
  - d) Neither (a) nor (b)
- Q7. 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
- Q8. 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

- Q9. 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.
- Q10. A promises to deliver goods to B's warehouse on 1<sup>st</sup> 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
- Q11. Novation may happen between -**
- a) The same parties as the original contract.
  - b) Different parties.
  - c) Either (A) or (B)
  - d) Neither (A) nor (B)
- Q12. Nominal damages can be -**
- a) claimed by the aggrieved party as a matter of right.
  - b) awarded only at the discretion of the Court.
  - c) should be specified/quantified in the contract.
  - d) all of the above
- Q13. X and Y agree that X shall his house to Y for Rs. 20 lakhs; but if Y is going to sue it as a gambling house, he shall sell it for Rs. 40 lakhs. In this case**
- a) The whole contract is valid
  - b) Promise of selling the house and paying Rs. 20 lakhs is a valid contract
  - c) Promise of selling the house where B is to use it for an unlawful purpose, is a void agreement
  - d) (a) and (b) both are correct.
- Q14. 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

- Q15. X contracts to sell rice to Y. Due to heavy loss by a major five which leaves nothing to sell, X applies for insolvency and is adjudged insolvent. The contract is discharged due to**
- a) Impossibility of Performance
  - b) Performance
  - c) Breach
  - d) Operation of Law i.e. Insolvency
- Q16. 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.

## DISCHARGE OF CONTRACT

- Q1. A and B, being traders enter upon a contract. A has private information of a change in prices which would affect B's willingness to proceed with the contract. Is A bound to Inform B?**
- a) Yes
  - b) No
  - c) Partly" Yes
  - d) None of the above
- Q2. Relief of specific performance and injunction as provided in**
- a) The specific Relief Act, 1877
  - b) The Transfer of Property Act 1882
  - c) The Indian Contract Act, 1872
  - d) None of the above
- Q3. Sec. 70 of the Contract Act provides that compensation is to be paid by the party receiving the benefit, where an act is done by another party, without an intention of Gratuitousness. For this purpose**
- a) Benefits must be at the instance of the Promisee
  - b) Benefits must be proved to the satisfaction of the Court
  - c) Existence of a legal contract is not a prerequisite
  - d) There must be legal contract between the parties
- Q4. Which of the following is not relevant in determining of quantum of damages?**
- a) motive of breach
  - b) loss suffered
  - c) manner of breach
  - d) both (a) & (b)
- Q5. When there are certain special or extraordinary circumstances present and their existence is communicated to the Promisor, nonperformance of promise entitles the Promisee to claim**
- a) special damages
  - b) Ordinary Damages
  - c) (a) or (b)
  - d) (a) and (b)

- Q6. X agreed to buy the whole of stationery for his office the from a certain shop. In this case, he can be restrained by an injunction from buying stationary from any other person.**
- a) True
  - b) Party True
  - c) False
  - d) Party False
- Q7. When the Seller retains goods after the breach, he can recover from the Buyer any further loss if the market falls, Also he is liable to have the damages reduced if the market rises. The statement is**
- a) True
  - b) Party True
  - c) False
  - d) Partly False
- Q8. X agreed to construct Y's house for a lumps sum of Rs. 400,000. A did the work but Y complained of faulty workmanship. It cost Y Rs. 10,000 to remedy the defect. X can recover from Y.**
- a) Rs. 4,00,000
  - b) Rs. 1,00,000
  - c) Rs. 3,00,000
  - d) Rs. 5,00,000

## CONTINGENT AND QUASI CONTRACT

- Q1. To make a contract contingent upon a collateral event, this should not have any influence over the happening or non-happening of the event.**
- a) Promises
  - b) Promisor
  - c) Court
  - d) Beneficiary.
- Q2. The juridical basis of quasi-contractual obligation can be explained through the theory of :**
- a) Indebitatus assumpsit
  - b) Just and reasonable solution
  - c) Voluntary benefits
  - d) Unjust enrichment