

- 1. The Indian Contract Act, 1872**
  - (a) Contains the basic principles of contract
  - (b) Is not a complete code on contract
  - (c) Does not cover all types of contracts
  - (d) All the above
  
- 2. An agreement & contract are one and same thing.**
  - (a) True
  - (b) False
  - (c) Depends on the situation
  - (d) None of the above
  
- 3. The source of the law of contract is**
  - (a) Indian Contract Act, 1872
  - (b) Judicial decisions
  - (c) Customs or usage of trade
  - (d) All the above
  
- 4. Law of contract**
  - (a) Is the whole law of obligations
  - (b) Is the whole law of agreements
  - (c) Deals with only such legal obligation which arise from agreement
  - (d) Deals with social agreements
  
- 5. Social agreements are**
  - (a) Enforceable in the courts
  - (b) Not enforceable in the courts
  - (c) Subject to legal obligations
  - (d) Made by social workers
  
- 6. All contracts**
  - (a) Are agreements
  - (b) Are not agreements
  - (c) Do not have legal obligations
  - (d) Should be in writing
  
- 7. Mercantile Law**
  - (a) Is applicable to businessmen only
  - (b) Is applicable to everybody
  - (c) Is applicable to non-businessman only
  - (d) Is applicable to Indians only
  
- 8. A contract consist of**
  - (a) Mutual promises or agreement enforceable by law
  - (b) Agreement not enforceable by law
  - (c) Involuntary obligations
  - (d) None of the above
  
- 9. An agreement to create legal liability**
  - (a) Is not enforceable by law
  - (b) Is a void agreement
  - (c) Is enforceable by law
  - (d) None of the above
  
- 10. Obligation between parties that form contract**
  - (a) Are all kinds of obligations
  - (b) Are legal obligation which spring from agreements
  - (c) Are not voluntary in nature
  - (d) None of the above
  
- 11. A contract means an agreement**
  - (a) Which is enforceable by law

- (b) Which is not enforceable by law
- (c) Which creates social obligation
- (d) Which is in writing

**12. A contract or an obligation to perform a promise could arise in the following ways**

- (a) By agreement and contract
- (b) By standard form of contracts
- (c) By promissory estoppel
- (d) None of the above

**13. The Indian Contract law is based on**

- (a) English law
- (b) Australian law
- (c) American law
- (d) French law

**14. Section 2(b) defines, "When the person to whom the proposal is made, signifies his assent thereto, the proposal is said to be accepted. A proposal when accepted becomes a/an**

- (a) Contract
- (b) Agreement
- (c) Promise
- (d) Offer

**15. When the consent of a party to a contract has been obtained by undue influence, fraud or misrepresentation, the contract is**

- (a) Legal
- (b) Voidable
- (c) Enforceable
- (d) None of these

**16. All contracts**

- (a) should be in writing
- (b) should be oral
- (c) should be registered
- (d) none of the above

**17. A foreigner**

- (a) is competent to enter into contract if he fulfils the conditions of section 11.
- (b) is not competent to enter into contract
- (c) can enter into contract with permission of Central Govt.
- (d) can enter into contract with the permission of court

**18. Voidable contract**

- (a) are enforceable by law if they are not avoided
- (b) are not enforceable by law
- (c) can be enforced if the court directs
- (d) can be enforced with prior permission of Court / Government

**19. The terms of agreement**

- (a) must be certain
- (b) must be capable of made certain
- (c) un-ambiguous and clear
- (d) all the above

**20. A contract is a contract**

- (a) from the time it is made
- (b) from the time its performance is due
- (c) at the time from its performance
- (d) none of the above

**21. In an executed contract**

- (a) both the parties have yet to fulfill their promises

- (b) any one party has fulfilled the promise
- (c) both the parties have fulfilled their promises
- (d) both b & c

**22. All illegal agreements**

- (a) are not void
- (b) are not void ab-initio
- (c) are void
- (d) none of the above

**23. A void agreement**

- (a) is illegal
- (b) is not void ab-initio
- (c) may or may not be illegal
- (d) none of the above

**24. All kinds of obligations between the parties form part of the contract. This statement is**

- (a) True
- (b) False
- (c) Partially true
- (d) None of the above

**25. A contract is made where:**

- (a) A buys a book from a shop
- (b) X bids at a public auction.
- (c) X agrees with Y to discover a treasure by magic
- (d) Z agrees to attend the birthday party of his friend

**26. Right in rem implies:**

- (a) a right available against the whole world
- (b) a right available against a particular individual**
- (c) a right available against the Government
- (d) none of the above**

**27. A void contract**

- (a) is void from the very beginning
- (b) is valid in the beginning but becomes void later on
- (c) is enforceable at the option of one of the contracting parties only
- (d) none of the above

**28. A void agreement is one**

- (a) which is forbidden by law
- (b) enforceable at the option of one of the parties
- (c) which is not enforceable by law
- (d) enforceable by law

**29. An agreement created by words spoken or written is called**

- (a) express agreement
- (b) execute agreement
- (c) implied agreement
- (d) voidable agreement

**30. An agreement consists of reciprocal promises between the**

- (a) Four parties
- (b) Six parties
- (c) Three parties
- (d) Two parties

**31. Which of the following statements is false**

- (a) Law of contract is the whole law of obligations
- (b) Certain contracts must be in writing
- (c) All contracts are agreements

(d) All illegal agreements are void

**32. Parol contracts are also know as**

- (a) Simple Contract
- (b) Format Contract
- (c) Void Contract
- (d) Conditional contract

**33. Which of the following contracts are not recognized by Indian Contract Act, 1872?**

- (a) Recognizance
- (b) Court Judgment
- (c) Contract under seal
- (d) All the above

**34. Which of the following statements is false in respect of formal contract?**

- (a) It should be in a particular form
- (b) It should be in writing and witnessed
- (c) It should have consideration
- (d) Consideration is not necessary

**35. Under the English law which of the following are recognized as formal contract**

- (a) Recognizance
- (b) Contract under seal
- (c) Parol contracts
- (d) Both (a) and (b)

**36. An offer made by words spoken or written is called:**

- (a) Implied offer
- (b) Express offer
- (c) Formal agreement
- (d) Informal agreement

**37. Partial acceptance of offer result in**

- (a) counter offer
- (b) unqualified acceptance
- (c) binding contract
- (d) none of the above

**38. A tender is**

- (a) an offer
- (b) invitation to an offer
- (c) acceptance of offer
- (d) none of the above

**39. Acceptance is to offer what a lighted match is to a train of gun powder. This statement indicates**

- (a) Once an offer is accepted it results in binding contract
- (b) Communication of acceptance is necessary
- (c) Acceptance must be absolute & unqualified
- (d) All the above

**40. An offer comes to an end by**

- (a) acceptance
- (b) communication
- (c) revocation
- (d) none of the above

**41. Death or insanity of the proposer will revoke the proposal**

- (a) Automatically
- (b) If the fact of the death or insanity is known to the offeree
- (c) The knowledge of death or insanity is irrelevant
- (d) Only if the family members of the proposer informs the offeree

**42. An offer stands revoked**

- (a) If the fact of the death or insanity is known to offeree
- (b) By counter offer
- (c) By rejection of offer
- (d) All the above

**43. Cross offer do not constitute a contract because**

- (a) there is no acceptance
- (b) there is implied acceptance
- (c) crossing implies cancellation
- (d) it amounts to counter offer

**44. A proposal can be revoked**

- (a) Before posting of letter of acceptance by the acceptor
- (b) Before receiving the letter of acceptance by the offeror
- (c) After posting the letter of acceptance by the offeree
- (d) Cannot be revoked

**45. Communication of acceptance is not necessary**

- (a) By performance of conditions of the offer by offeree
- (b) By acceptance of consideration by the offeree
- (c) By acceptance of benefit/service by the offeree
- (d) All the above

**46. When counter offer is given, the original offer**

- (a) Lapses
- (b) Remains valid
- (c) Is accepted and becomes a contract
- (d) The original offer can also be accepted

**47. A counter offer proposing different terms and conditions**

- (a) Amounts to acceptance of the offer
- (b) Amount to rejection of the offer
- (c) Results in making of the provisional contract
- (d) Both (b) & (c)

**48. Which of the following statements is false?**

- (a) A response to invitation to treat lead to an agreement
- (b) A valid offer must be communicated
- (c) Supplying information is not an offer
- (d) A request for tenders is an invitation to treat

**49. When the promisee does not accept the offer of performance, the promisor is not responsible for non- performance**

- (a) True
- (b) False
- (c) Both(a)&(b)
- (d) None of the above

**50. For an acceptance to be valid, it must be**

- (a) Partial & qualified
- (b) Absolute & unqualified
- (c) Partial & unqualified
- (d) Absolute & qualified

**51. Acceptance takes place as against the proposer, when**

- (a) When the letter of acceptance is posted by the acceptor
- (b) When the letter of acceptance is received by the proposer
- (c) When the offeree, writes the letter of acceptance, but doesn't post it
- (d) All the above

**52. An advertisement for sale goods by auction**

- (a) Amounts to an invitation to offer
- (b) Amounts to an offer to hold such sale
- (c) Amounts to an implied offer
- (d) Amount to a general offer

**53. Communication of offer is complete when**

- (a) It comes to the knowledge of the offeree
- (b) It is posted to the offeree
- (c) When the offeror writes the letter but does not post it
- (d) None of the above

**54. Performance of conditions of a proposal is an acceptance to the proposal**

- (a) True
- (b) False
- (c) Depends on the facts of the case
- (d) Partially true and partially false

**55. An acceptance will be revoked at any time before the communication of acceptance is complete against the acceptor, but not afterwards**

- (a) True
- (b) False
- (c) Acceptance once given cannot be revoked
- (d) Acceptance can be revoked at any time

**56. An offer need not be made to a ascertained person**

- (a) True, it can be given to the world at large
- (b) False, it has to specific
- (c) May be specific or general
- (d) Either (a) or (c)

**57. An agreement to agree in future upon terms to be settled afterwards between the parties is**

- (a) Valid
- (b) Not valid
- (c) Illegal
- (d) Voidable

**58. Acceptance once given cannot be revoked**

- (a) True
- (b) False
- (c) Incomplete information
- (d) None of the above

**59. A tender and a bid at an auction sale are**

- (a) Not offers
- (b) Offers
- (c) Acceptance of the offer
- (d) Invitation to offer

**60. A quotation is**

- (a) Not offer
- (b) Offer
- (c) Acceptance of the offer
- (d) Invitation to offer

**61. A contract is formed when the acceptor**

- (a) has done something to signify his intention
- (b) makes his mind to do so
- (c) reads the offer
- (d) all the above

- 62. If the offeree does not accept the offer according to the mode prescribed, then**
- (a) The offeror may accept or reject such acceptance
  - (b) The offer lapses automatically
  - (c) It is a counter offer
  - (d) Offeree commits a breach of contract
- 63. Communication of offer is complete when**
- (a) The letter is posted to the offeree
  - (b) The letter is received by the offeree
  - (c) The offer is accepted by the person to whom it is made
  - (d) It comes to the knowledge of the offeror that the letter has been received by the offeree
- 64. When the mode of acceptance is prescribed in the proposal then**
- (a) It need not be accepted in that manner
  - (b) It should be accepted in that manner
  - (c) No matter how the acceptance is given
  - (d) Acceptance can be given in usual or reasonable manner
- 65. A proposal when accepted becomes a**
- (a) Promise
  - (b) Contract
  - (c) Agreement
  - (d) All the above
- 66. Acceptance takes place when and where the message is received**
- (a) True
  - (b) False
  - (c) Incomplete information
  - (d) None of the above
- 67. Mental acceptance is**
- (a) No acceptance at all
  - (b) Valid
  - (c) Binding promise
  - (d) None of the above
- 68. The term 'proposal' used in the Indian Contract Act is synonymous with the term**
- (a) Contract
  - (b) Offer
  - (c) Agreement
  - (d) None of these
- 69. The term 'Proposal or offer' has been defined in section**
- (a) Section 2(a)
  - (b) Section 2(b)
  - (c) Section 2(c)
  - (d) Section 2(d)
- 70. A bid at an auction sale is**
- (a) An implied offer to buy
  - (b) An express offer to buy
  - (c) An Invitation to offer to buy
  - (d) An invitation to come to bid
- 71. A price list hanging outside the shop is meant for**
- (a) Attracting customers to buy the same in the mentioned price
  - (b) An advertisement of goods and meaningless from legal point of view
  - (c) An offer by the owner of the shop
  - (d) An invitation to customers to buy something
- 72. The communication of a proposal is complete when it comes to**

- (a) The knowledge of that person
  - (b) The object of the offer
  - (c) The intention with which offer is made
  - (d) The facts underlying the offer
- 73. When the offers made by two persons to each other containing similar terms of bargain cross each other in post, they are known as**
- (a) Cross offers
  - (b) Implied offers
  - (c) Direct offers
  - (d) Expressed offers
- 74. General offers open for world at large can be accepted by**
- (a) Any person in the world
  - (b) Any person within the country
  - (c) Any person who complies with the conditions of the offer
  - (d) Any person who reads the advertisement
- 75. When the proposal or acceptance is made other wise than words, the promise is said to be**
- (a) Expressed**
  - (b) Implied
  - (c) Accepted
  - (d) Rejected
- 76. In order to convert a proposal into a promise, the acceptance must**
- (a) Be clear
  - (b) Be absolute
  - (c) Be unqualified
  - (d) Be absolute and unqualified
- 77. The communication of an acceptance is complete as against the acceptor**
- (a) When it is posted by him
  - (b) When it is put in the course of transmission
  - (c) When it comes to the knowledge of the proposer
  - (d) None of these
- 78. If the communication is made by an unauthorised person, it does not result in a/an**
- (a) Contract
  - (b) Agreement
  - (c) Offer
  - (d) Consideration
- 79. Which section, of Indian Contract Act defines "performance of the conditions of a proposal is an acceptance of the proposal"?**
- (a) Section 6
  - (b) Section 7
  - (c) Section 8
  - (d) Section 9
- 80. Various modes of revocation of offer have been described in**
- (a) Section 4
  - (b) Section 5
  - (c) Section 6
  - (d) Section 9
- 81. Which section of Law of Contract defines, "A proposal may be revoked at anytime, before the communication of its acceptance is complete as against the proposer, but not afterwards."**
- (a) Section 5
  - (b) Section 4
  - (c) Section 6
  - (d) Section 7



- 82. According to Indian Contract Act, a promise is**
- (a) A communication of intention to do something
  - (b) A proposal which has been accepted
  - (c) A gentleman's word to do something
  - (d) A statement on oath
- 83. When parties enter into a contract on telephone the contract becomes complete at the place where acceptance is heard by the proposer. This has been provided**
- (a) In no section of Indian Contract Act but so decided by the Supreme Court
  - (b) In section - 2
  - (c) In section - 3
  - (d) In section - 4
- 84. An advertisement inviting tender is**
- (a) An invitation for negotiations
  - (b) A proposal
  - (c) An invitation for proposal
  - (d) A promise
- 85. Goods displayed in a shop window with a price label will amount to**
- (a) Offer
  - (b) Invitation to offer
  - (c) Acceptance of offer
  - (d) None of these
- 86. A promisee is**
- (a) A person who makes a promise
  - (b) A person who monitors the statement of intentions of two parties
  - (c) A person to whom the promise is made
  - (d) None of these
- 87. The person making the proposal is called**
- (a) Promisor
  - (b) Promise
  - (c) Participator
  - (d) None of these
- 88. A mere passing utterance will**
- (a) Amount to a proposal
  - (b) Not amount to a proposal
  - (c) Amount to a promise
  - (d) Amount to offer
- 89. Which of the following is an invitation for offer?**
- (a) A tender to supply goods at a certain time
  - (b) A request for a loan
  - (c) Bids in an auction sale
  - (d) A catalogue of goods for sale
- 90. Which of the following is an offer?**
- (a) The mere quotation of terms by trader
  - (b) The quotation of the lowest price in answer to enquiry
  - (c) Advertisement for sale or auction of goods
  - (d) Bids in an auction sale
- 91. Acceptance in ignorance of the offer is**
- (a) Valid
  - (b) Invalid
  - (c) Void
  - (d) Voidable

- 92. An offer or its acceptance or both may be made**
- (a) By words
  - (b) By conduct
  - (c) Either by words or by conduct
  - (d) None of these
- 93. When a proposal and its acceptance are made by words, they are known as**
- (a) Expressed
  - (b) Implied
  - (c) Accepted
  - (d) Admitted
- 94. In cases, where a proposal and its acceptance are not made by words and are inferred from the conduct of the parties. They are known as**
- (a) Implied offers
  - (b) Expressed offers
  - (c) Specific offers
  - (d) General offers
- 95. Express offers and acceptances may be proved by the agreement between the parties but implied offers can be proved only by**
- (a) The words
  - (b) The conduct
  - (c) Circumstantial evidence
  - (d) Both (b)&(c)
- 96. An offer which is allowed to remain offer for acceptance over a period of time is known as a**
- (a) Standing offer
  - (b) Specific offer
  - (c) Express offer
  - (d) Implied offer
- 97. Voidable contract is one**
- (a) Which is lawful
  - (b) Which is invalid
  - (c) Which is valid so long it is not avoided by the party entitled to do so
  - (d) None of these
- 98. A contract is said to be executed when it has been performed wholly on**
- (a) One side
  - (b) Two sides
  - (c) More than two sides
  - (d) None of these
- 99. When the contract is perfectly valid in its substance but which cannot be enforced because of certain technical defects. This is called a**
- (a) Unilateral contract
  - (b) Bilateral contract
  - (c) Unenforceable contract
  - (d) Void contract
- 100. The difference between an advertisement for sale and a proposal is**
- (a) No difference at all
  - (b) That a proposal becomes a promise as soon as the party to whom it is made accepts it but an advertisement does not
  - (c) Every case will be viewed according to the circumstances
  - (d) None of these
- 101. In a Book depot a catalogue of book enlisting the price of each book and specifying the place where the particular book is available is**

- (a) An invitation to offer
- (b) An offer
- (c) An invitation to visit the book shop
- (d) None of these

**102. Match the following**

- |                        |                             |
|------------------------|-----------------------------|
| <b>A. Section 2(h)</b> | <b>(I) Agreement</b>        |
| <b>B. Section 2(e)</b> | <b>(II) Promise</b>         |
| <b>C. Section 2(b)</b> | <b>(III) Contract</b>       |
| <b>D. Section 2(g)</b> | <b>(IV) Void agreements</b> |

- |     | <b>A</b> | <b>B</b> | <b>C</b> | <b>D</b> |
|-----|----------|----------|----------|----------|
| (a) | I.       | II.      | III.     | IV       |
| (b) | III.     | I.       | II.      | IV       |
| (c) | II.      | I.       | IV.      | III      |
| (d) | IV,      | III.     | I.       | II       |

**103. A catalogue of the goods of a company for sale ..... a series of offers but only an invitation for offers.**

- (a) Is
- (b) Is not
- (c) In normal cases is
- (d) In normal cases is not

**104. Is telegraphing lowest price on request a mere invitation for an offer?**

- (a) Yes
- (b) No
- (c) Not in normal cases
- (d) None of these

**105. Is the Is promise defined under clause .....the same thing as an agreement which is defined under clause (e) of section 2**

- (a) (a)
- (b) (b)
- (c) (c)
- (d) (d)

**106. After a proposal has been accepted and there is promise, can the promisor resile from the promise?**

- (a) Yes
- (b) No
- (c) Depends
- (d) Any of the above

**107. Can there be an acceptance of an offer which has not come to the knowledge of the offeree?**

- (a) Yes
- (b) No
- (c) Depends
- (d) Any of the above

**108. Can the mere writing on bills of medical practitioners that interest at one per cent, per mensem be charged, amount to a contract?**

- (a) Yes
- (b) No
- (c) Depends
- (d) None of the above

**109. Where the offers were invited for purchasing the trees and the offer was accepted on agreement as contemplated by Section 2 comes into existence.**

- (a) (b)
- (b) (c)
- (c) (d)
- (d) (e)

**110. Can a mere mental resolve to make an offer unless such intention is also communicated to the other party has agreed to make such statement?**

- (a) Yes
- (b) No
- (c) In normal cases
- (d) Not in normal cases

**111. In the absence of any express or implied directions from the offeror to the contrary, can an offer be accepted by a letter?**

- (a) Yes
- (b) No
- (c) Depends
- (d) None of the above

**112. Should both offer and acceptance be absolute, unqualified and unconditional?**

- (a) Yes
- (b) No
- (c) Not in normal cases
- (d) Depends

**113. Can a letter of acceptance to a Proposer, not correctly addressed, although posted, be said to have been "Put in a course of transaction" to him?**

- (a) Yes
- (b) No
- (c) Depends
- (d) Any of the above

**114. After a transaction has ripened into a contract, does it require the consent of both parties to revoke or modify it?**

- (a) Yes
- (b) No
- (c) Not in normal cases
- (d) Depends

**115. An offer does not lapse if the**

- (a) offeror dies before acceptance
- (b) The offeree dies before acceptance
- (c) Acceptance is made by the offeree in ignorance of the death of the offeror
- (d) Acceptance is made by the offeree with knowledge of the death of the offeror

**116. A telephonic acceptance is complete when the offer is**

- (a) spoken into the telephone
- (b) heard but not understood by the offeror
- (c) heard and understood by the offeror
- (d) is received, heard and understood by some person in the offeror's house

**117. When goods are displayed in a show-window bearing price-tags, it indicates**

- (a) Offer to sell goods at prices mentioned on the price tags
- (b) an invitation to make an offer
- (c) an advertisement
- (d) an announcement

**118. Which one of the following statements about a valid acceptance of an offer is NOT correct?**

- (a) Acceptance should be absolute and unqualified
- (b) Acceptance should be in the prescribed manner
- (c) Acceptance should be made while the offer is subsisting
- (d) Acceptance should in all cases be through registered post

**119. A counter offer is**

- (a) An invitation to treat

- (b) An acceptance of the offer
- (c) A rejection of the original offer
- (d) A bargain

**120. Consider the following statements:**

1. There is no difference between the English law and Indian law with regard to acceptance through post.
2. Both under the English law and the Indian law a contract is concluded when the letter of acceptance is posted
3. Under the Indian law when the letter of acceptance is posted it is complete only as against the proposer.
4. It is complete only as against the proposer.

**Which of the above statements is/are correct?**

- (a) 1 and 2
- (b) 2 alone
- (c) 3 alone
- (d) None

**121. For binding contract both the parties to the contract must**

- (a) Agree with each other
- (b) Stipulate their individual offer and consideration
- (c) Agree upon the same thing in the same sense
- (d) Put the offer and counter offers

**122. Where a particular mode of communication of acceptance is not prescribed and the parties are not in each other's presence, the most authentic mode of communication of acceptance is the**

- (a) Telephone
- (b) Telegraph
- (c) Wireless
- (d) Letter

**123. When a person without expressing his final willingness, proposes certain terms on which he is willing to negotiate, he makes**

- (a) Counter offer
- (b) Standing offer
- (c) Offer
- (d) Invitation to treat

**124. The communication of acceptance through telephone is regarded as complete when**

- (a) Acceptance is spoken on phone
- (b) Acceptance comes to the knowledge of party proposing
- (c) Acceptance is put in course of transmission
- (d) Acceptor has done whatever is required to be done by him

**125. The term consensus ad-idem means**

- (a) Formation of the contract
- (b) Reaching of agreement
- (c) Meeting of minds
- (d) General consensus

**126. Which one of the following has the correct sequence?**

- (a) Offer, acceptance, contract, consideration
- (b) Offer, acceptance, consideration, contract
- (c) Contract, acceptance, consideration, offer
- (d) Offer, consideration, acceptance, contract

**127. When a person signifies his assent to a proposal made to him to refrain from doing something, the resultant transaction is known as**

- (a) Promise
- (b) Agreement

- (c) Contract
- (d) Understanding

**128. A notice in the newspapers inviting tenders is**

- (a) A proposal
- (b) An invitation to proposal
- (c) A promise
- (d) An invitation for negotiation

**129. Which one of the following statements is true?**

- (a) Offer and acceptance are revocable
- (b) Offer and acceptance are irrevocable
- (c) An offer can be revoked but acceptance cannot
- (d) An offer cannot be revoked but acceptance can be

**130. The doctrine of privity of contract is laid down in the case of**

- (a) Carlill v. Carbolic Smoke Ball & Co.
- (b) Balfour v. Balfour
- (c) Harvey v. Facey
- (d) Dunlop Pneumatic Tyre Co. Ltd. v. Self ridge & Co.

**131. Which one of the following is not the legal requirement of valid offer?**

- (a) It must be communicated to the offeree
- (b) It must express offeror' final willingness
- (c) It must be made to a specific person and not to public at large
- (d) It must be made with a view to obtain offeree' assent

**132. Sections 4 and 5 of the Indian Contract Act provide for communication of offer and acceptance and revocation thereof. In this relation, which one of the following is not correct?**

- (a) Communication of offer is complete when it reaches the offeree
- (b) Revocation of acceptance is complete when acceptance is posted in favour of the proposer
- (c) A Proposal may by revoked any time before communication of acceptance
- (d) Acceptance may be revoked any time before communication of acceptance

**133. What can a catalogue of books, listing price of each book and specifying the place where the listed books are available be termed as?**

- (a) An offer
- (b) An obligation to sell book
- (c) An invitation to offer
- (d) A promise to make available the books at the listed

**134. Consider the following statements:**

1. General offer require the communication of acceptance.
2. All contracts are agreements
3. All agreements are contracts
4. All illegal agreements are void agreements

**Which of the statements given above are correct?**

- (a) 2 and 4
- (b) 1, 3 and 4
- (c) 1 and 2
- (d) 2, 3 and 4

**135. Consideration is**

- (a) Doing or abstaining from doing something at the desire of promisor
- (b) Essential condition of a contract
- (c) Element of exchange in a contract
- (d) All the above

**136. If there is no consideration, then**

- (a) The agreement is void

- (b) The agreement is valid
- (c) The agreement is illegal
- (d) The agreement is voidable

**137. Consideration must be**

- (a) Adequate
- (b) Superficial
- (c) Unlawful
- (d) Something

**138. Which section of Indian Contract Act defines consideration?**

- (a) Section 2(a)**
- (b) Section 2(b)
- (c) Section 2(c)
- (d) Section 2(d)

**139. A valid consideration includes,**

- (a) Executed or executory consideration
- (b) Past consideration
- (c) Inadequate consideration
- (d) All of these

**140. A valid consideration has the following essential elements :**

- (a) It must move at the desire of the promisor
- (b) Consideration may be supplied by the promisee or any other person
- (c) Consideration may be past, present or future
- (d) All the above

**141. Consideration contemplated under Indian law is,**

- (a) Past consideration only
- (b) Present consideration only
- (c) Past, present or future consideration
- (d) Monetary consideration only

**142. An agreement without consideration is void under**

- (a) Sec. 25(1) of the Contract Act
- (b) Sec. 25(3) of the Contract Act
- (c) Sec. 25(2) of the Contract Act
- (d) None of the above clauses in sec. 25

**143. The exceptions to the doctrine of Privity of Contract include**

- (a) Family settlements
- (b) Agreements
- (c) Assignment
- (d) All of these

**144. The latin term "quid pro quo" refers to :**

- (a) Something in return
- (b) Stranger to consideration
- (c) Something sensible
- (d) Something valuable

**145. A stranger to a consideration can file a suit and such a stranger is**

- (a) A person who is not a party to the contract
- (b) A person who has given consideration
- (c) A person who has not given consideration

(d) A person who is a party to the contract but not given consideration

**146. Consideration must move at the desire of:**

- (a) Promisor
- (b) Promisee
- (c) Third party
- (d) Any other person

**147. Consideration may be given by**

- (a) The promisor
- (b) The promisee
- (c) Any other person
- (d) The promisee or any other person

**148. A promise to pay a time-barred debt must be :**

- (a) Oral
- (b) Written and signed
- (c) Registered
- (d) Written and registered

**149. Which are of the following statements is false.**

- (a) Promisee or any other person may supply consideration
- (b) Past consideration is good Consideration
- (c) Consideration need not be adequate
- (d) Consideration should be adequate

**150. Which of the following statements is not true**

- (a) Consideration must be real & not illusory
- (b) Consideration may be inadequate
- (c) Past consideration is no consideration
- (d) Consideration should not consist of a legal obligation

**151. The exceptions to the rule A stranger to a contract cannot sue are**

- (a) Beneficiaries in the case of trust
- (b) Family settlement
- (c) Assignment of contract
- (d) All the above

**152. A stranger to a consideration**

- (a) Can file a suit
- (b) Cannot file a suit
- (c) Can file, only with consent of court
- (d) Is similar to stranger to a contract

**153. A stranger to a contract**

- (a) Can file a suit
- (b) Can file a suit only with permission of court
- (c) Can file a suit, if contract is in writing
- (d) Cannot file a suit

**154. The inadequacy of consideration may be taken into account by the court:**

- (a) In determining the question whether the consent of the promisor was freely given
- (b) Always in all the cases
- (c) When the parties complain
- (d) When the promisor has not performed his promise

**155. Consideration in a contract:**



- (a) May be present only
- (b) May be past and present only
- (c) May be futuristic only
- (d) May be past, present and future

**156. An agreement not supported by consideration is called:**

- (a) Consensus ad idem
- (b) Ignorantia juris non excuset
- (c) Ab imitis
- (d) Nudum Pactum

**157. Which one of the following is the correct statement:**

- (a) Stranger to consideration contract sue
- (b) Stranger to consideration can file a suit
- (c) Stranger to consideration is stranger to contract
- (d) Stranger to consideration cannot be party to the contract

**158. Consider the following statements: Consideration is**

- 1. A motive for any promise**
- 2. A price for any promise**
- 3. Only a moral obligation**
- 4. Something of value in the eye of law**

**Of these statements**

- (a) 1,2 and 3 are correct
- (b) 1 and 4 are correct
- (c) 2 and 4 are correct
- (d) 3 alone is correct

**159. Past consideration means**

- (a) Money received in the past without making even a proposal
- (b) The price which is more than the promisee's expectation
- (c) A past act done before the promise is made
- (d) None of the above

**160. An agreement without consideration is void except in case of compensation for**

- (a) Voluntary services rendered
- (b) Voluntary services rendered at the request of the other party to the agreement
- (c) Voluntary services rendered at the request of third person
- (d) Reimbursement of expenses incurred

**161. A contract without consideration is void. There are exceptions. Which one of the following exceptions is correct?**

- (a) Promise to pay disputed debt
- (b) Promise to pay time-barred
- (c) Promise to pay time-barred debt which is in writing and signed
- (d) Promise to pay any debt

**162. Which one of the following statements is incorrect with regard to nature of a valid consideration?**

- (a) Consideration must be adequate
- (b) Consideration must be real

- (c) Consideration may be past, present or future
- (d) Consideration must move at the desire of promisor

**163. Which one of the following statements about the doctrine of privity is correct?**

- (a) Only a party to the contract can sue
- (b) Stranger to a contract cannot sue
- (c) A contract is enforceable by a stranger
- (d) Both (a)&(b)

**164. 'Consideration is the price for which the promise of the other is bought, and the promise thus given for the value is enforceable.' This definition of consideration is**

- (a) By Pollock
- (b) By Justice Patterson
- (c) By Cheshire and Fifoot
- (d) In section 2(d) of the Contract Act

**165. When 'at the desire of the promisor, the promisee or any other person has done or abstained from doing or does or abstain from doing some thing'- such act or abstinence or promise is called**

- (a) Agreement
- (b) Contract
- (c) Consideration
- (d) Proposal

**166. An agreement without consideration is**

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

**167. In India, a person who is stranger to the consideration**

- (a) Can sue on the contract, if he is a party
- (b) Cannot sue the contract
- (c) Depends on the parties
- (d) Depends on the circumstances

**168. When one of the parties to the contract has performed its part of the promise which constitutes the consideration for the promise by the other side, it is known as**

- (a) Past consideration
- (b) Executed consideration
- (c) Executory consideration
- (d) Future consideration

**169. Which of the following statement regarding past consideration is incorrect**

- (a) It is done before making the agreement
- (b) A past consideration is valid
- (c) It is done with the making of the contract
- (d) None of the above

**170. Past consideration means**

- (a) Consideration and promise should move together
- (b) Executed consideration
- (c) Consideration is provided prior to the making of the contract
- (d) Invalid consideration

**171. An executed consideration is**

- (a) An act of mutual exchange of promises
- (b) An act done in the expectation of a proposal
- (c) An act done by one party as part of his promise
- (d) Past consideration

**172. An executory consideration is**

- (a) A consideration promised by the executive of a company
- (b) A promise yet to be performed by both the parties
- (c) Liability is outstanding on both the sides
- (d) Both (b)&(c)

**173. In Indian Law consideration must have been done at the desire of the promisor, if it is done at the instance of a third party or without the desire of the promisor, it is**

- (a) Consideration
- (b) Not consideration
- (c) Offer
- (d) Promise

**174. P renders some service to D at D's desire. After a month D promises to compensate P for the service rendered to him, it is a**

- (a) Present consideration
- (b) Past consideration
- (c) Future consideration
- (d) None of these

**175. Where consideration is illegal or physically impossible, uncertain or ambiguous, it shall not be**

- (a) Transferable by law
- (b) Unenforceable by law
- (c) Enforceable by law
- (d) None of these

**176. Which section of Indian Contract Act declares that an agreement made without consideration is void?**

- (a) Section 23
- (b) Section 24
- (c) Section 25
- (d) Section 26

**177. A promise not supported by consideration is called a**

- (a) Proposal
- (b) Acceptance
- (c) Agreement
- (d) Nudum pactum

**178. A promise to pay a time-barred debt must be**

- (a) Oral
- (b) Written and signed
- (c) Registered
- (d) Written and registered

**179. Which of the following statement is incorrect**

- (a) Consideration must be real
- (b) Performance of existing obligation is no consideration
- (c) Forbearance to sue is good a consideration
- (d) Agreements without consideration are always void

**180. A promise to pay a time barred debt is enforceable, if some conditions are fulfilled. Which of the following conditions is not required?**

- (a) It must be signed by the promisor
- (b) It must be definite and express
- (c) It must be in writing
- (d) It must be registered

**181. A man cannot acquire rights under a contract to which he is not a party. Which one of the following is not an exception to this rule**

- (a) Beneficiaries under trust
- (b) Family settlement
- (c) Gift
- (d) Assignment of rights

**182. A person is competent to contract if:**

- (a) He has a PAN Card number
- (b) He has a Ration Card number
- (c) He fulfills the conditions of sec. 11
- (d) He is a graduate

**183. Capacity to contract has been defined in**

- (a) Section 10
- (b) Section 11
- (c) Section 12
- (d) Section 25

**184. Which of the following is not competent to contract?**

- (a) A minor
- (b) A person of unsound mind
- (c) A person who has been disqualified from contracting by some law
- (d) All of these

**185. Two persons have the capacity to contract**

- (a) If both are not of unsound mind
- (b) If none is disqualified from contracting by any law to which he is subject
- (c) If both have attained the age of maturity
- (d) All of the above

**186. For necessaries supplied to a minor**

- (a) he is personally liable
- (b) his parents are liable
- (c) his estate is liable
- (d) the contract is valid under Indian law

**187. A minor is a person who has not attained the age of:**

- (a) 15 years
- (b) 18 years
- (c) 21 years
- (d) 25 years

**188. An agreement with a minor is:**

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

**189. A contract for the benefit of the minor is :**

- (a) Valid
- (b) Void

- (c) Voidable
- (d) Illegal

**190. A married woman is under no disability as regards capacity to contract**

- (a) under English law only
- (b) under Indian law only
- (c) under both English and Indian laws
- (d) for luxury only

**191. An agreement entered into by a minor is**

- (a) Valid and binding
- (b) Voidable at the option of the minor
- (c) Void ab initio
- (d) Voidable at the option of either party

**192. A minor enters into agreement representing himself to be a major consider the following statement:**

- 1. Minor commits fraud if the other party does not have personal knowledge of his age**
- 2. Such agreement is not enforceable**
- 3. The doctrine of estoppel does not apply in minor's case**
- 4. Other party is entitled to get back the benefit passed to minor, if innocent about his age**

**Which of the statements given above are correct?**

- (a) 1,3 and 4
- (b) 2 and 3
- (c) 1,2 and 4
- (d) 2 and 4

**193. M is a minor, B, the borrower, approaches M for a loan on the basis of a mortgage of the house owned by B. Hence, M advances the money and B executed a mortgage in favour of M, a minor. In these circumstances**

- (a) The mortgage is not enforceable by M, because he is a minor
- (b) The mortgage is enforceable but only when he attains majority
- (c) The mortgage is enforceable by M even though he is minor
- (d) None of these

**194. When a minor has been supplied with necessaries in credit**

- (a) The minor is not liable
- (b) The minor's property is liable
- (c) The minor is personally liable
- (d) The minor is liable at his option

**195. A supplies B, a lunatic, with necessaries suitable to his condition in life. A is:**

- (a) Not entitled to be reimbursed from B's property
- (b) Entitled to be reimbursed from B's property
- (c) Personally liable
- (d) None of these

**196. When a person incurred expenses of ₹ 5000 for the necessaries supplied to the minor, he can recover the said amount from the**

- (a) Minor personally
- (b) Property of the minor
- (c) Property of his guardian
- (d) None of these

**197. The principle of Estoppel cannot be applied against a minor since**

- (a) He has no sound mind
- (b) He has no privilege to cheat persons by making any representation
- (c) He may be induced by dishonest traders to declare in writing that he is a major at the time of entering into a contract
- (d) He has not attained the age of maturity

**198. A convict when undergoing imprisonment**

- (a) Is capable of entering into a contract
- (b) Is incapable of entering into a contract
- (c) Is capable of entering into a contract, if it is permitted by the court
- (d) None of these

**199. A person who is not an Indian citizen is an Alien. Contracts with an alien friend, subject to certain restrictions are**

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

**200. A minor's agreement is void. This was held in case of**

- (a) Mohori Bibee v. Dharmodas Ghosh
- (b) Nihal Chand v. Mr. Jan MohomedKhan
- (c) Suraj Narain v. Sukhu Aheer
- (d) None of these

**201. A mortgage executed by minor is.....**

- (a) Void
- (b) Voidable
- (c) Both (a) and (b)
- (d) Neither (a) nor (b)

**202. Is a pronote executed in favour of a minor good in law?**

- (a) Yes
- (b) No
- (c) Not in normal cases
- (d) Depends

**203. Is purchase of property for the benefit of a minor by his maternal uncle valid?**

- (a) Yes
- (b) No
- (c) Depends
- (d) None of the above

**204. The test of..... is whether the person is capable of understanding the business concerned and its implications.**

- (a) Incapacity to contract
- (b) Minority
- (c) Soundness of mind
- (d) Reciprocity

**205. ....is the most extreme form of mental unsoundness?**

- (a) Lunacy
- (b) Incapacity
- (c) Minority
- (d) Idiocy

**206. The onus of proving insanity is on the .....**

- (a) Prosecutor
- (b) State
- (c) Accused
- (d) On person who alleges it

**207. Which of the following statement is incorrect:**

- (a) A parda-nashin women can enter into contract if it is established that the contract was explained to her and she understood it
- (b) A parda-nashin women is open to undue influence and therefore cannot enter into contract
- (c) A parda-nashin women is of unsound mind
- (d) A parda-nashin women may be married or single

**208. M, a minor, misrepresenting that he is a major induces Z to enter into a contract**

- (a) M is liable on the contract
- (b) M is not liable on the contract
- (c) M is liable to pay compensation
- (d) M is liable to the contract on attending majority

**209. Select the false statement**

- (a) There can be no ratification of contract entered by a minor during his minority, even after becoming major
- (b) Restitution of benefit is allowed in case of a minor
- (c) Agreement with a minor is void ab initio
- (d) The rule of estoppel cannot be applied against a minor

**210. Which of the following types of persons are not disqualified from contracting?**

- (a) Foreign Sovereigns
- (b) Alien Enemy
- (c) Convicts
- (d) None

**211. Which of the following person do not fall under the category of persons of unsound mind?**

- (a) Drunkards
- (b) Lunatics
- (c) Idiots
- (d) Blind Person

**212. If there is no consent the agreement is:**

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

**213. If consent is not free due to coercion, undue influence, fraud, and misrepresentation then the agreement is:**

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

**214. If the agreement is made by obtaining consent by doing an act forbidden by the Indian Penal Code, the agreement would be caused by:**

- (a) Coercion
- (b) Fraud
- (c) Misrepresentation

(d) Undue influence

**215. A buys an article thinking that it is worth ₹ 100 when in fact it is worth only ₹ 50. There has been no misrepresentation on the part of the seller. The contract is:**

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

**216. Where a person is in a position to dominate the will of another person and uses that position to obtain an unfair advantage it is called:**

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

**217. An agreement caused by unilateral mistake of fact is:**

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

**218. Unlawfully detaining or threatening to detain any property, to the prejudice of any person making him to enter into an agreement amounts to:**

- (a) Threat
- (b) Coercion
- (c) Undue influence
- (d) Misappropriation

**219. An agreement made under mistake of fact, by both the parties, forming the essential subject matter of the agreement is:**

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

**220. "Threatening to commit certain acts forbidden by Indian Penal Code" is associated with which one of the following?**

- (a) Misrepresentation
- (b) Fraud
- (c) Coercion
- (d) Unenforceable

**221. "Active concealment of fact" is associated with which one of the following?**

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

**222. Lending money to a borrower, at high rate of interest, when the money market is tight renders the agreement of loan:**

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

**223. When a person, who is in dominating position, obtains the consent of the other by exercising his influence on the other, the consent is said to be obtained by:**

- (a) Fraud



- (b) Intimidation
- (c) Coercion
- (d) Undue influence

**224. An officer enters into a contract with his subordinate to sell his (subordinate's) house at a lower price than the market price. The subordinate may challenge the contract on the ground of**

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

**225. With regard to the contractual capacity of a person of unsound mind, which one of the following statements is most appropriate?**

- (a) A person of unsound mind can never enter into a contract
- (b) A person of unsound mind can enter into a contract
- (c) A person who is usually of unsound mind can contract when he is, at the time of entering into a contract, of sound mind
- (d) A person who is occasionally of unsound mind can contract although at the time of making the contract, he is of unsound mind

**226. While obtaining the consent of the promisee, keeping silence by the promisor when he has a duty to speak about the material facts, amounts to consent obtained by:**

- (a) Coercion
- (b) Misrepresentation
- (c) Mistake
- (d) Fraud

**227. 'A' threatened to commit suicide if his wife did not execute a sale deed in favour of this brother. The wife executed the sale deed. This transaction is:**

- (a) Voidable due to under influence
- (b) Voidable due to coercion
- (c) Void being immoral
- (d) Void being forbidden by law

**228. A contract which is vitiated by undue influence is declared as which one of the following by the Indian Contract Act?**

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

**229. Consider the following:**

1. Active concealment of fact.
2. Promise made without any intention of performing it.
3. Breach of duty which gains an advantage to the person committing it.
4. Inducing mistake as to subject matter.

**Which of the above amount to fraud?**

- (a) 1 and 2
- (b) 2 and 3
- (c) 3 and 4
- (d) 1 and 4

**230. Coercion is defined in which section of the Indian Contract Act?**

- (a) Section 15
- (b) Section 16
- (c) Section 17
- (d) Section 18

**231. A threatens to shoot B, if B does not agree to sell his property to A at a stated price. B's consent in this case has been obtained by**

- (a) Fraud
- (b) Undue influence
- (c) Coercion
- (d) None

**232. What does Section 17 of the Indian Contract Act define?**

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

**233. If A unlawfully detains B's son in order to coerce B to enter into the agreement, the case would be covered within:**

- (a) Section 10
- (b) Section 14
- (c) Section 15
- (d) Section 16

**234. Factors vitiating consent are:**

- (a) Coercion, Undue influence
- (b) Fraud, Misrepresentation
- (c) Mistake
- (d) All of these

**235. A master asks his servant to sell his cycle to him at less than the market price. This contract can be avoided by the servant on grounds of:**

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

**236. When the consent of a party to the contract has been obtained by fraud, in such a case the contract is:**

- (a) Void
- (b) Voidable
- (c) Unenforceable
- (d) None of these

**237. A, intending to deceive B, falsely represents that five hundred mounds of Indigo are made annually at A's factory and, thereby, induces B to buy the factory. The contract is**

- (a) Voidable
- (b) Void
- (c) Unenforceable
- (d) None of these

**238. If A sells, by auction to B a horse which A knows to be unsound and A says nothing to B about the horse's unsoundness, this amounts to:**

- (a) Fraud
- (b) Not fraud
- (c) Unlawful
- (d) Illegal

**239. When there is duty to speak, keeping silence is:**

- (a) Fraud
- (b) Undue influence
- (c) Coercion
- (d) None of these

**240. Silence is fraud when silence is, in itself equivalent to speech. This statement is:**

- (a) True
- (b) False
- (c) Untrue in certain cases
- (d) None of these

**241. When the person making a false statement believes the statement to be true and does not intend to mislead the other party to the contract it is known as:**

- (a) Free consent
- (b) Misrepresentation
- (c) Fraud
- (d) None of these

**242. Misrepresentation means:**

- (a) Unwarranted assertion
- (b) Any breach of duty without an intent to deceive
- (c) Innocent mistake
- (d) All the above

**243. If a party stands in a fiduciary relation to the other:**

- (a) He cannot dominate
- (b) He can dominate the will of another
- (c) The trust should be maintained
- (d) None of these

**244. A person is deemed to be in a position to dominate the will of another if he:**

- (a) Holds real or apparent authority
- (b) Stands in a fiduciary relationship
- (c) Both (a) and (b)
- (d) Either (a) or (b)

**245. If both the parties to a contract believe in the existence of a subject, which infact does not exist, the agreement would be**

- (a) Unenforceable
- (b) Void
- (c) Voidable
- (d) None of these

**246. For a valid contract**

- (a) Both the parties should have given their consent
- (b) The consent should be free
- (c) Both (a) and (b)
- (d) Either (a) or (b)

**247. When both the parties to an agreement are under a mistake as to a matter of fact essential to an agreement, the agreement is:**

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

**248. In Indian Contract Act, the term consensus ad idem means**

- (a) Parties under a mistake
- (b) Parties under the free consent
- (c) Parties agreeing upon the same thing in same sense

(d) None of these

**249. To prove undue influence, the plaintiff has to prove that:**

- (a) The relations, subsisting between the parties are such that the defendant was in a position to dominate the will of the plaintiff
- (b) The defendant used that position to obtain an unfair advantage from the plaintiff
- (c) Both (a) and (b)
- (d) None of these

**250. The validity of contract is not affected by**

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

**251. Error in *causa* means:**

- (a) Absence of consent
- (b) Absence of free consent
- (c) Presence of mistake
- (d) Absence of mistake

**252. Error in *consensus* means:**

- (a) Absence of consent
- (b) Absence of free consent
- (c) Presence of mistake
- (d) Absence of mistake

**253. Unlawful agreements comprise**

- (a) Illegal agreements
- (b) Immoral agreements only
- (c) Agreements opposed to public policy only
- (d) All the agreements mentioned above

**254. The period of limitation for simple contract in India is**

- (a) 2 years
- (b) 3 years
- (c) 6 years
- (d) 8 years

**255. The exceptions to the rule that an agreement in restraint of trade is void, are contained in**

- (a) The provisions of Sec. 27 of the Contract Act only
- (b) Secs. 11, 36, 54 and 55 of the partnership Act only
- (c) Both the above mentioned provisions of the Contract Act & Partnership Act respectively
- (d) None of the above provisions

**256. A contract to trade with an enemy is**

- (a) an immoral agreement
- (b) a valid agreement
- (c) an agreement opposed to public policy
- (d) an enforceable agreement

**257. An agreement to share the emoluments of a public office is**

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

**258. An agreement, the object of which is to procure a public post, is**

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

**259. Under which section of Indian Contract Act, agreements of wager are void?**

- (a) Section 28
- (b) Section 29
- (c) Section 30
- (d) Section 27

**260. An agreement in restraint of parental rights is**

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

**261. An agreement will be unlawful if:**

- (a) There is no consent
- (b) Consent is not free
- (c) There is no consideration
- (d) The object is forbidden by law

**262. An agreement in restraint of marriage is:**

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

**263. An agreement in restraint of trade is:**

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

**264. A wagering agreement is:**

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

**265. A contract of insurance is a :**

- (a) Contract of guarantee
- (b) Contract of indemnity
- (c) Wagering agreement
- (d) Contingent contract

**266. In a wagering agreement:**

- (a) Both the parties win
- (b) Both the parties loose
- (c) None of the parties wins
- (d) One party wins and the other loses

**267. Which one of the following statements is correct?**

- (a) Void agreements are always illegal
- (b) Illegal agreements are voidable
- (c) Illegal agreement can be ratified by the parties
- (d) Illegal agreements are always void

**268. Which one of the following is not a wagering agreement?**

- (a) A lottery
- (b) An agreement to buy a ticket for a lottery
- (c) Commercial transaction, the intention of which is not to deliver the goods but only to pay the difference in price
- (d) A contract of insurance

**269. A wagering agreement in India is declared by the Contract Act as**

- (a) Illegal and void
- (b) Void but not illegal
- (c) Voidable at the option of the aggrieved party
- (d) Immoral

**270. Which one of the following is a void agreement?**

- (a) An agreement without consideration
- (b) An agreement in restraint of marriage
- (c) An agreement in restraint of trade
- (d) All of the above

**271. Agreement to do an impossible act has been declared**

- (a) Void
- (b) Voidable
- (c) Enforceable
- (d) None of these

**272. Agreement in restraint of marriage has been defined in**

- (a) Section 23
- (b) Section 24
- (c) Section 25
- (d) Section 26

**273. An agreement which restricts a person's freedom to marry or to marry any person of his choice is against public policy and is**

- (a) Lawful
- (b) Illegal
- (c) Void
- (d) None of these

**274. An agreement of service under which an employee agrees that he will serve a particular employer for a certain duration and that he will not serve anybody else during that period, is a**

- (a) Valid agreement
- (b) Void agreement
- (c) Illegal agreement
- (d) None of these

**275. If the seller agrees to supply all the goods produced by him to a certain buyer and to nobody else, and the buyer also, in turn undertakes to accept the whole of the quantity, the agreement is**

- (a) Void agreement
- (b) Solus agreement
- (c) Illegal agreement
- (d) None of these

**276. Section 28 of the Indian Contract Act, speaks about**

- (a) Agreement in restraint of legal proceedings
- (b) Agreement in restraint of trade
- (c) Agreement in restraint of marriage
- (d) None of these

**277. Ambiguous and uncertain agreements are defined in**

- (a) Section 26
- (b) Section 27
- (c) Section 28
- (d) Section 29

**278. If an agreement suffers from any uncertainty, it is**

- (a) Voidable
- (b) Void
- (c) Unenforceable
- (d) None of these

**279. If the contract is impossible in itself physically or legally the agreement is**

- (a) Void contract
- (b) Voidable
- (c) Void ab initio
- (d) None of these

**280. If the consideration or object of an agreement is regarded by the court to be immoral or opposed to public policy. The agreement is**

- (a) Void
- (b) Voidable
- (c) Unenforceable
- (d) None of these

**281. M, who is a dealer in mustard oil only, agrees to sell to N '500 litres of oil'. This agreement is**

- (a) Valid contract
- (b) Void contract
- (c) Voidable contract
- (d) Unenforceable contract

**282. A and B agree that A shall pay ₹ 1000 for which B shall afterwards deliver to an either rice or smuggled opium. In this case**

- (a) The first agreement is void and the second voidable
- (b) The first is voidable and the second is void
- (c) The first is valid and the second is void
- (d) The first is void and the second is valid

**283. A agrees to sell to B a 'hundred tons of oil'. There is nothing whatever to show what kind of oil was intended. The agreement is**

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

**284. A agrees to sell to B 'my white horse for ₹500 or ₹ 1,000'. There is nothing to show which of the two prices was to be given. The agreement is**

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

**285. Agreements between a husband and wife living in friendly environment are**

- (a) Valid contracts
- (b) A void contracts
- (c) Domestic arrangements
- (d) Voidable contract

**286. A promised to marry none else than Miss B and in default to pay her a sum of ₹ 1,000. Subsequently**

**A married Miss C and Miss B sued for recovery of ₹ 1,000. The contract is**

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

**287. A promises B to pay ₹ 100 if it rains on Monday, and B promises A to pay ₹ 100 if it does not rain on Monday. This agreement is**

- (a) a valid agreement
- (b) a voidable agreement
- (c) a wagering agreement
- (d) an illegal agreement

**288. P engages B to kill C and borrows ₹ 100 from D to pay B. If D is aware of the purpose of the loan, the transaction is**

- (a) Valid
- (b) Void
- (c) Illegal
- (d) Not enforceable

**289. A leaves a firm doing a particular business in Mumbai. He agrees with the other partners of the firm not to start a similar business as that of the firm in and around Mumbai for 3 years. This agreement is**

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

**290. A, while filling up the insurance application form, states his age as 25 believing it to be true. His actual age was 27. The Life Insurance Corporation issued a policy in his favour charging a lower premium than what it should have charged if the actual age had been given. This is a case of**

- (a) Fraud
- (b) Misrepresentation
- (c) Undue influence
- (d) Mistake of fact

**291. B, having discovered a vein of ore on the estate of A, adopts means to conceal, and does conceal, the existence of the ore from A. Owing to A's ignorance B is enabled to buy the estate at a low- price. The contract is**

- (a) Valid
- (b) Void
- (c) Voidable at the option of A
- (d) Invalid

**292. B let a cabin on hire to P a prostitute, knowing that it would be used for immoral purposes. The agreement is**

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

**293. A enters into an agreement with B who has robbed A of ₹10,000 to drop prosecution against him (B) in consideration of B's returning ₹ 8,000. Afterwards B refused to pay. A can get from B**

- (a) ₹ 8,000
- (b) ₹ 100
- (c) Nothing
- (d) ₹ 10,000 plus damages

**294. A agrees with B to discover treasure by magic for a consideration of ₹ 500. This is**



- (a) A void agreement
- (b) A void contract
- (c) A valid agreement
- (d) An unenforceable contract

**295. X, a tailor, employed Y as his assistant under an agreement that Y, on termination of his employment shall not start the business of a tailor. This restraint is**

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

**296. X leaves a firm doing a particular business in Delhi. He agrees with other partners of the firm not to start a similar business as that of the firm in Delhi for 2 years. This agreement is**

- (a) Void
- (b) Valid
- (c) Voidable at X's option
- (d) Invalid

**297. X promises to supply Y one tola of gold brought from the sun. This is**

- (a) a valid contract
- (b) an illegal contract
- (c) a void agreement
- (d) a voidable agreement

**298. A promises B not to carry on a similar business as that of B if B pays him a certain amount. B pays the money but A continues to carry on the business. B can**

- (a) Do nothing
- (b) Compel A to stop the business
- (c) Get him imprisoned for fraud
- (d) Sue A for damages

**299. A purchases B's business of selling neckties in Delhi. A can restrain B from**

- (a) Doing the business of selling neckties again in his life
- (b) Doing any business in Delhi
- (c) Doing the business of selling neckties in Delhi for a limited period
- (d) None of the above

**300. A promised to marry B and none else and promised her to pay a sum of ₹5000 in addition to what he gets from the other party if he marries someone else. A marries C and gets ₹ 10,000 from C. B can get from A**

- (a) ₹ 15,000
- (b) ₹ 10,000
- (c) Nothing
- (d) ₹ 15,000 plus damages

**301. A promised B to obtain an employment for him in a public office. B promised to pay ₹2,000 to A for this. B gets a job through A but refuses to pay the money. A can**

- (a) Challenge B's appointment on the ground of non-payment of money
- (b) Sue B for ₹2,000
- (c) Do nothing
- (d) Do both given at (a) and (b) above

**302. A, a Hindu already married with a living wife B, enters into a marriage agreement with a widow of 30 years of age. This agreement is**

- (a) Void, because of being opposed to public policy
- (b) Valid and can be enforced by either party
- (c) Voidable, because A has obtained B's consent by exercising undue influence

- against her  
(d) Void, because of being forbidden by law

**303. Rajeev entered into a contract with Lata to marry her on a fixed date. However, before the marriage date. Rajeev went mad. With reference to the Indian Contract Act which is the valid response?**

- (a) Lata can't marry till Rajeev dies  
(b) The executors of Rajeev can enforce the contract against Lata  
(c) The contract becomes void  
(d) All the statements are correct

**304. A and B agree to deal in smuggled goods and share the profits. A refuses to give B's share of profit. In this case:**

- (a) B can enforce the agreement in the court.  
(b) B can only claim damages.  
(c) B has no remedy as the contract is illegal.  
(d) B can enforce the contact or claim damages

**305. A and B agree that law of limitation shall not apply to them. A debt becomes time barred and A refuses to pay the amount. Can B recover the amount under the terms of the agreement?**

- (a) yes, the agreement between them is valid and enforceable.  
(b) yes, the agreement is not opposed to pub- l lie policy.  
(c) no, the agreement is a voidable agreement I and can be avoided by A.  
(d) no, the agreement falls under section 23 ! and hence void

**306. A borrows ₹ 5,000 from B to purchase a revolver to shoot C. Can B recover his loan of ₹ 5,000.**

- (a) yes, the agreement between them is valid and enforceable.  
(b) yes, the agreement is not opposed to public policy.  
(c) no, the agreement is a voidable agreement and can be avoided by A.  
(d) no, the agreement falls under section 23 and hence void

**307. A borrows from B ₹ 500 to bet with C. Can B recover the amount of his loan?**

- (a) yes, the agreement between them is collateral to a wagering agreement and hence enforceable  
(b) yes, the agreement is not opposed to public policy  
(c) no, the agreement is a voidable agreement and can be avoided by A  
(d) no, the agreement is wagering agreement and falls under section 23 and hence void

**308. A paid ₹500 to a Government servant to get him a contract for the canteen. The Government servant could not get the contract. Can A recover ₹500 paid by him to the Government servant?**

- (a) yes, the agreement between them is valid and enforceable  
(b) yes, the agreement is not opposed to public policy  
(c) no, the agreement is a voidable agreement and can be avoided by A  
(d) no, the agreement is void

**309. A person contracted to deliver a part of a specific crop of potatoes. The potatoes were destroyed by blight though no fault of the party. The contract is**

- (a) Valid  
(b) Voidable  
(c) Void due to frustration of contract  
(d) Illegal

**310. A contracts to sing for B at a concert for ₹ 1,000 which are paid in advance. A is too ill to sing. Which of the following options is correct?**

- (a) A is bound to make compensation  
(b) A is not bound to make compensation to B for the loss of the profit which B would have made if A had been able to sing, but must refund to B ₹ 1,000 paid in advance

- (c) A is not liable to refund to B ₹ 1,000 paid in advance
- (d) A is liable for loss of profit as well as for refund

**311. A contractor entered into an agreement with Government to construct a godown and received advance payments for the same. He did not complete the work and the Government terminated the contract.**

- (a) The Government can claim damages
- (b) The Government under sec. 65 could recover the amount advanced to the contractor
- (c) The Government cannot claim damages
- (d) Both (a)&(b)

**312. A and B agree to deal in smuggled goods and share the profits. A refuses to give B's share of profit. In this case:**

- (a) B can enforce the agreement in the court
- (b) B can only claim damages
- (c) B has no remedy as the contract is illegal
- (d) B can enforce the contract or claim damages

**313. A and B agree that law of limitation shall not apply to them. A debt becomes time barred and A refuses to pay the amount. Can B recover the amount under the terms of the agreement?**

- (a) Yes, the agreement between them is valid and enforceable
- (b) No, the agreement is opposed to public policy
- (c) No, the agreement is a voidable agreement and can be avoided by A
- (d) No, the agreement falls under section 23 and hence illegal

**314. A borrows ₹ 5,000 from B to purchase a revolver to shoot C. Can B recover his loan of ₹ 5,000, assuming that B knows the purpose of the loan.**

- (a) yes, the agreement between them is valid and enforceable
- (b) no, the agreement is opposed to public policy
- (c) no, the agreement is a voidable agreement and can be avoided by A
- (d) no, the agreement falls under section 23 and hence illegal

**315. A borrows from B ₹ 500 to bet with C. Can B recover the amount of his loan?**

- (a) yes, the agreement between them is collateral to a wagering agreement and hence enforceable
- (b) no, the agreement is opposed to public policy
- (c) no, the agreement is a voidable agreement and can be avoided by A
- (d) no, the agreement falls under section 23 and hence illegal

**316. A paid ₹ 500 to a Government servant to get him a contract for the canteen. The Government servant could not get the contract. Can A recover ₹ 500 paid by him to the Government servant?**

- (a) yes, the agreement is opposed to public policy
- (b) no, the agreement is opposed to public policy
- (c) no, the agreement is a voidable agreement and can be avoided by A
- (d) no, the agreement falls under section 23 and hence illegal

**317. A makes a contract with B to buy B's horse if A survives C. This is**

- (a) a Quasi-contract
- (b) a Void contract
- (c) a Contingent contract
- (d) a Conditional contract

**318. An insurance contract is**

- (a) Contingent contract
- (b) Wagering agreement
- (c) Unenforceable contract
- (d) Void contract

**319. If the contingent depends on the mere will of the promisor it would be-**

- (a) Valid
- (b) Void
- (c) Illegal
- (d) Depends on the circumstances

**320. For a contingent contract the event must be:**

- (a) Certain
- (b) Uncertain
- (c) Independent
- (d) Uncertain and collateral

**321. Which of the following is a contingent contract:**

- (a) A promises to pay B if he repairs his scooter
- (b) A promises to pay B ₹ 10,000 if his scooter is stolen
- (c) A promises to sell his car if his wife permits
- (d) A promises to buy a car if his employer approves it

**322. A contract of life insurance, the performance of which depends upon a future event falls under the category of**

- (a) Contract of Indemnity
- (b) Contract of Guarantee
- (c) Contingent Contract
- (d) Special type of Contract

**323. Which one of the following is not a characteristic of a contingent contract?**

- (a) Performance depends upon a future event
- (b) The event must be uncertain
- (c) The event must be collateral to the contract
- (d) There must be reciprocal promises

**324. Which one of the following is not an essential feature of a wagering agreement?**

- (a) Insurable interest
- (b) Uncertain event
- (c) Mutual chances of gain or loss
- (d) Neither party to have control over the event

**325. Which of the following types of contracts are generally termed uberrimae fidei contracts?**

1. Insurance contracts.
2. Contract for purchase of car.
3. Partnership contracts.
4. Quasi-contract.

**Select the correct answer using the code given below:**

- (a) 1,3 and 4
- (b) 1 and 3
- (c) 1,2 and 4
- (d) 2, 3 and 4

**326. A makes a contract with B to buy his house for ₹ 50,000 if he is able to secure to bank loan for that**

**amount. The contract is**

- (a) Void for vagueness
- (b) Wagering contract
- (c) Contingent contract
- (d) Voidable contract

**327. Contingent contracts to do or not to do anything if a specified uncertain event does not happen within a fixed time become**

- (a) Void, if before the time fixed, such event becomes impossible
- (b) Valid, if before the time fixed, such event becomes impossible
- (c) Voidable, if before the time fixed, the promisor becomes lunatic
- (d) Illegal, if before the time fixed, the promisor dies

**328. Which of the following statements is true in connection with the contingent contract:**

- (a) The collateral event is contingent
- (b) The collateral event may be certain or uncertain
- (c) The contingency event may be the mere will of the promisor
- (d) The main event should be contingent

**329. Which of the following statement is false in connection with the contingent contract:**

- (a) The event must be collateral
- (b) The event must be uncertain
- (c) The event should not be mere will of the promisor
- (d) None of the above

**330. The contingent contract dependent on the happening of the future uncertain event can be enforced when such event:**

- (a) Happens
- (b) Does not happen
- (c) Does not become a impossible
- (d) Both (a)&(c)

**331. Contract contingent upon the happening of a future uncertain event becomes void.**

- (a) If the event becomes impossible
- (b) If the event happens
- (c) If the event does not happen
- (d) None of the above

**332. Contracts contingent upon the non-happening of the future uncertain event becomes void when such event:-**

- (a) Happen
- (b) Does not happen
- (c) The event becomes impossible
- (d) None of the above

**333. Contract contingent upon the non-happening of the future uncertain event becomes enforce able**

- (a) When the happening of that event becomes impossible and not before
- (b) When the happening of that event becomes possible and not before
- (c) When the event happens
- (d) None of the above

**334. A promises to pay B a sum of money if a certain ship does not return within a year. The ship is sunk within a year. The contract is**

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

**335. Contingent contract to do or not to do anything, if an impossible event happens are:-**

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

**336. Contingent contract dependent on the non-happening of the event within a fixed time can be enforced, if the event:-**

- (a) Does not happen within the fixed time
- (b) Before the time fixed such event becomes impossible
- (c) Both (a) & (b)
- (d) None of the above

**337. In a contingent contract which event is contingent**

- (a) Main event
- (b) Collateral event
- (c) Both(a)&(b)
- (d) None of the above

**338. The obligation of a finder of lost goods is laid down in:**

- (a) Sec. 71 of the Contract Act
- (b) Sec. 65 of the Contract Act
- (c) Sec. 68 of the Contract Act
- (d) Sec. 66 of the Contract Act

**339. Secs. 68 to 72 of the Indian Contract Act deal with:**

- (a) The performance of contract
- (b) The discharge of contract
- (c) Certain relations resembling those created by contract
- (d) Contingent contract

**340. Under section 70 of the Indian Contract Act, 1872, if a person who enjoys the benefit of any other person's work, the beneficiary must pay to the benefactor for the services rendered, provided the intention of the benefactor was :**

- (a) Gratuitous
- (b) Non-gratuitous
- (c) To create legal relations
- (d) None of these

**341. A finder of goods can:**

- (a) file a suit to recover his expenses
- (b) sell the goods if he likes
- (c) can sue for a reward, if any
- (d) None of the above

**342. A finder of goods can sell the goods if the cost of finding the true owner exceeds:**

- (a) 1 / 4 of the value of the goods,
- (b) 1 / 3 of the value of the goods,
- (c) 1 / 2 of the value of the goods,
- (d) 2/3 of the value of the goods.

**343. The phrase "Quantum Meruit" literally means**

- (a) As much as earned
- (b) The fact in itself
- (c) A contract for the sale
- (d) None of these

**344. Liability of a person getting benefit under mistake has been described in the Indian Contract Act under:**

- (a) Section 68
- (b) Section 69
- (c) Section 71
- (d) Section 72

**345. Quasi-contracts or implied contracts are exceptional kinds of contracts by which:**

- (a) One party is bound to pay money in consideration of something done or suffered by the other party
- (b) No contractual relation exists between the parties
- (c) No contract has been made by the parties
- (d) All of these

**346. A gives a recognizance binding him in a penalty of ₹500 to appear in the court on a certain day. He forfeits his recognizance. He is:**

- (a) Liable to pay the whole penalty
- (b) Is not liable to pay the penalty
- (c) Is liable to pay partially
- (d) None of these

**347. Which one of the following conditions must be satisfied for making claim under 'Necessaries supplied to a person incapable of contracting?'**

- (a) The articles supplied should be necessaries
- (b) The articles supplied should be necessaries at the time of sale and not delivery
- (c) Necessaries must have been supplied gratuitously out of mere kindness
- (d) Necessaries should be supplied only to person in competent to contract

**348. A contract implied by law is known as:**

- (a) Contingent contract
- (b) Quasi-contract
- (c) Expressed contract
- (d) Implied contract

**349. The juridical basis of quasi-contractual obligation can be explained through the theory of:**

- (a) Indebitatus assumpsit
- (b) Unjust enrichment
- (c) Just and reasonable solution
- (d) Voluntary benefits

**350. An implied contract is made:**

- (a) Orally
- (b) In writing
- (c) By conduct of parties
- (d) None of the above

**351. Who is liable for necessaries supplied to a minor?**

- (a) The guardian of the minor
- (b) The minor
- (c) His property

- (d) None of the above

**352. Under the Indian Contract Act some persons have the duty similar to that of a bailee but under which of the following sections:**

- (a) Section 69
- (b) Section 70
- (c) Section 71
- (d) Section 72

**353. The contract uberrimae fidei means a contract**

- (a) Of goodwill
- (b) Guaranteed by a surety
- (c) Of utmost good faith
- (d) Of good faith

**354. The term 'quasi-contracts' is:**

- (a) Defined by section 68 of the Indian Contract Act
- (b) Named 'implied in fact contract' by Section 69 of the Indian Contract Act
- (c) Found as 'unjust' enrichment' is Section 70 only of the Indian Contract Act
- (d) Conspicuous by its absence in the Indian Contract Act

**355. Which of the following statement is true in connection with Quasi-contract.**

- (a) It is imposed by law
- (b) A Quasi-contract is a revoking contract
- (c) Damages cannot be claimed for breach of Quasi-contractual right.
- (d) It arises out of an agreement

**356. Which of the following statements regarding Quasi-contracts is incorrect**

- (a) It resembles a contract
- (b) It is imposed by law
- (c) It is based on the doctrine of unjust enrichment
- (d) It is voluntarily created

**357. Which of the following transactions cannot be described as Quasi-contracts**

- (a) Claims of necessities supplied to incompetent person
- (b) Right to recover money paid for another person
- (c) Right to claim money if given under coercion or mistake
- (d) Right to claim money if given under fraud or misrepresentation

**358. Quasi-contracts are:**

- (a) not contracts in the real sense of the word
- (b) relations which create certain obligations resembling those created by a contract
- (c) implied contracts
- (d) unenforceable contracts

**359. A finder can sell the goods if:**

- (a) the goods are ascertained.
- (b) the goods are un-ascertained,
- (c) the goods are valuable,
- (d) the goods are perishable



**360. Mr. Kamal was levied Sales Tax on his forward transactions in bullion, which he paid. The levy of this tax was declared ultra vires. Mr. Kamal demanded refund on the amount of Sales Tax on the ground that payment was under a mistake of law. Which of the following is correct?**

- (a) Mr. Kamal will not succeed as once the payment is made to government it cannot be refunded
- (b) Mr. Kamal will not succeed as his forward transaction of bullion attracted sales tax at that time
- (c) Mr. Kamal will succeed
- (d) Mr. Kamal will not succeed as mistake of law is not good defence

**361. An insurance company paid money by mistake on a policy which had lapsed. Though the company was not ignorant of the fact of the lapse, this was overlooked at the time of payment. Can the company recover the amount?**

- (a) The company cannot recover the amount
- (b) The company can recover the amount
- (c) The company once paid the money is estopped to demand back by virtue of 'Doctrine of Estoppel'
- (d) The company can revive the lapsed policy and thus regularize the payment

**362. Where a party to a contract fails to perform at or before a specified time and it was the intention of the parties that time should be of the essence**

- (a) The contract becomes voidable
- (b) The contract does not become voidable but the aggrieved party is entitled to compensation
- (c) The contract becomes void
- (d) None of these

**363. Contracts which need not be performed are spelt out in**

- (a) Sees. 60-65 of the Contract Act
- (b) Sees. 61-66 of the Contract Act
- (c) Sees. 62-67 of the Contract Act
- (d) Sees. 68-70 of the Contract Act

**364. Reciprocal promises include**

- (a) Mutual and independent promises
- (b) Mutual and dependent promises
- (c) Mutual and concurrent promises
- (d) All of these

**365. A contracts with B to construct a building for a fixed price, B supplying the necessary timber. This reciprocal promise is**

- (a) Mutual and Independent
- (b) Mutual and Dependent
- (c) Mutual and Concurrent
- (d) None of the above

**366. A contract of personal nature can be performed by**

- (a) The promisor,
- (b) The agent,
- (c) The legal representative,
- (d) None of the above.

**367. Liability of the joint promisor is**

- (a) Joint
- (b) Several
- (c) Joint and several
- (d) None of the above

**368. Where the order of performance is not fixed the contract will be performed as per**

- (a) The wish of the promisor
- (b) The wish of the promisee
- (c) The wish of both the parties
- (d) The nature of transactions

**369. If neither the debtor nor the creditor appropriates the payment, the payment will be appropriated:**

- (a) As per the desire of the promisor,
- (b) As per the desire of the promisee,
- (c) In order of time,
- (d) None of the above.

**370. Agreement by way of wager are**

- (a) Valid and enforceable by law
- (b) Void
- (c) Voidable at the option of party
- (d) Illegal

**371. An offer of performance is known as**

- (a) Offer
- (b) Proposal
- (c) Tender
- (d) Acceptance

**372. Which one of the following is correct about the essentials of a valid tender?**

- (a) The tender must be unconditional
- (b) The tender must be made at proper time and place
- (c) The promisee must be given an opportunity to ascertain that the goods are according to the contract
- (d) All of the above are correct

**373. A, B and C jointly promise to pay D ₹ 3,000. D may compel**

- (a) A, B and C jointly to pay him ₹ 3,000
- (b) A to pay him ₹ 3,000
- (c) A or B or C to pay him ₹ 3,000
- (d) A, B and C jointly and separately to pay ₹ 3,000

**374. A contract stands discharged :**

- (a) By performance of the contract
- (b) By breach of the contract
- (c) By agreement and novation
- (d) All of these

**375. Where by the contract, a promisor is to perform his promise without application by the promisee and no time for performance is specified the engagement must be performed within a reasonable time. The question "What is a reasonable time" in each particular case is a :**

- (a) A question of fact
- (b) A question of law
- (c) A question of general custom
- (d) All of these

**376. When time is not the essence of contract:**

- (a) It is expected that the promisor would perform the contract within the time
- (b) It must be performed within a reasonable time
- (c) The promisor would perform the contract within the stipulated time
- (d) None of these

**377. How many contracts are there in a contract of guarantee?**

- (a) Two contracts
- (b) Three contracts
- (c) Four contracts
- (d) None of these

**378. When a contract ceases to bind the parties to it, it is said to be :**

- (a) Discharged
- (b) Performed
- (c) Obligated
- (d) None of these

**379. Each party to a contract is bound to perform his part of the obligation. After the parties have made due performance of the contract comes to an end. In such a case the contract is said to be discharged :**

- (a) By breach of contract
- (b) By impossibility of performance
- (c) By agreement and novation
- (d) By performance of contract

**380. A, a singer enters into a contract with B, the manager of a theatre to sing at his theatre two nights in every week during the next two months and B engages to pay her ₹100 for each night's performance. On the sixth night, A willfully absents herself from the theatre.**

- (a) B is at liberty to put an end to the contract
- (b) B cannot put an end to the contract
- (c) The contract is left at the liberty of A
- (d) None of these

**381. A and B contract to marry each other before the time fixed for the marriage. A goes mad. The contract becomes:**

- (a) Void
- (b) Voidable
- (c) Unenforceable
- (d) None of these

**382. If a contract is based on personal skill or confidence of parties, the death of a party in such a case:**

- (a) Puts an end to the contract
- (b) Does not put an end to the contract
- (c) The representatives of the deceased can be made liable to perform such a contract
- (d) None of these

**383. When the performance of a contract becomes impossible, the purpose which the parties had in mind is frustrated. If the purpose becomes impossible because of supervening event, the promisor is excused from the performance of the contract. This is known as :**

- (a) The doctrine of frustration
- (b) Initial impossibility
- (c) Subsequent impossibility
- (d) None of these

**384. If a person accepts a lesser sum of money than what was contracted for in discharge of the whole debt, it is known as :**

- (a) Waiver

- (b) Rescission
- (c) Alteration
- (d) Remission

**385. Are rights under a contract assignable?**

- (a) Yes
- (b) No
- (c) Depends
- (d) Any of the above

**386. Are rights under a contract assignable unless the contract is personal in its nature?**

- (a) Yes
- (b) No
- (c) Not in normal cases
- (d) Depends

**387. Is offer of performance discharge of obligation?**

- (a) Yes
- (b) No
- (c) Depends
- (d) Any of the above

**388. A modification or revocation of the contract requires a ..... of each contracting party.**

- (a) Denial
- (b) Consensus
- (c) Modification
- (d) Revocation

**389. Essence of ..... lies not in the dissimilarity of the terms between the two contracts but in the intention of the parties to supersede the old by the new.**

- (a) Acceptance
- (b) Offer
- (c) Novation
- (d) Proposal

**390. A change of nature of obligation of a contract is known as:**

- (a) Novation
- (b) Rescission
- (c) Alteration
- (d) Repudiation

**391. In case of conflict of jurisdiction of the courts, the incidence of a contract shall be governed by the law of the place where the :**

- (a) Contract is made
- (b) Contract is performed
- (c) Acceptor resides
- (d) Proposer resides

**392. If the performance of contract becomes impossible because the subject matter of contract has ceased to exist then :**

- (a) Both the parties are liable
- (b) Neither party is liable
- (c) Only offerer is liable
- (d) Only acceptor is liable

**393. A, B and C jointly promise to pay ₹ 3,000 to X. In the absence of express agreement to the contrary, X can bring an action against:**

- (a) Any two of them only
- (b) All of them together

- (c) Any one of them, at this choice
- (d) Either (b) or (c)

**394. Which of the following is not an exception to the rule that the agreement in restraint of trade is void :**

- (a) A partner can be prevented from carrying on similar business
- (b) An outgoing partner can be restrained from carrying on similar business
- (c) On dissolution of firm, partners may agree not to carry on similar business
- (d) The seller of goodwill of business can be prevented from carrying on any kind of business at any place

**395. A doctor teaching in a medical college prevented from doing private practice, such a restriction is:**

- (a) Valid
- (b) Partially lawful
- (c) Unlawful
- (d) Partially Unlawful

**396. Agreement in restraint of trade is void. The restraint mentioned here is :**

- (a) Partial
- (b) Total
- (c) (a) & (b)
- (d) None of these

**397. A valid tender or offer of performance must be:**

- (a) made at proper time
- (b) made at proper place
- (c) made to the proper person
- (d) all the above

**398. A contracts to sell for B for a consideration of ₹ 5,000 which amount is paid in advance. A becomes unwell and is not able to perform. B suffers a loss of ₹ 10,000. A is liable to pay B**

- (a) ₹ 15,000
- (b) ₹ 10,000
- (c) ₹ 5,000
- (d) Nothing

**399. A contractor had to supply the army charpoys in certain quantities by instalments. He failed to supply the requisite number and even after that breach the instalment of charpoys was received by army authorities. Meanwhile, the work orders were however cancelled. The orders cancelling the work order were**

- (a) Valid
- (b) Void
- (c) Without authority
- (d) Contractor could claim damages

**400. By a contract B agreed to take A's son in adoption and A to give B enjoyment of certain properties. A refused to give his son in adoption, he made the adoption impossible by performing the marriage of the boy.**

- (a) The contract is enforceable since A did not give his son in adoption
- (b) B should be given the property as per the agreement
- (c) As adoption was not complete, the contract is not enforceable
- (d) A's action can be considered legitimate as a parent

**401. A promises to paint a picture for B by a certain day at a certain price. A dies before the promised day. Which one of the following is the correct legal position**

- (a) The agreement becomes unlawful
- (b) The agreement lapses for both the parties

- (c) The agreement becomes voidable at the option of A's legal representative
- (d) None of these

**402. A promises to deliver goods at B's warehouse on the 1st January. On that day, A brings the goods to B's warehouse but after the usual hour for closing it and they are not received. Which one of the following is correct?**

- (a) A has not kept his promise
- (b) A kept his promise as time was not specified
- (c) A performs his duty as the time is not the essence of the contract
- (d) All of these

**403. 'A' promises to paint a picture for 'B' by a certain day at a certain price. 'A' dies before that day. In this situation, the contract**

- (a) Cannot be enforced as it becomes void due to personal incapacity
- (b) Will be performed by the legal representative of 'A', who is bound by law to perform it
- (c) Can be performed by an agent of 'A'
- (d) Can be performed by a third person on behalf 'A'

**404. X, Y and Z are under a joint promise to pay ₹ 8,000 to W. Z is unable to pay anything and Y is compelled to pay the entire amount. What amount can Y successfully claim from X?**

- (a) Y can claim ₹ 8,000 from X by way of contribution
- (b) Y can claim ₹ 4,000 from X by way of contribution
- (c) Y can claim ₹ 6,000 from X by way of contribution
- (d) Y cannot claim anything from X

**405. A borrowed ₹ 1,000 from B. A dies before paying back the loan. Can B recover the amount from A's legal representative?**

- (a) No, B cannot recover
- (b) Yes, subject to any estate left by him
- (c) B can recover even if no estate is left
- (d) None of the above

**406. An anticipatory repudiation has the effect of**

- (a) Automatically putting an end to the contract
- (b) Putting an end to the contract only on acceptance of the repudiation by the other party
- (c) Putting an end to the contract only on failure to perform when performance is due
- (d) Not putting an end to the contract

**407. The law regarding Novation, i.e., where a new contract is substituted in place of the old one by means of an agreement between the parties to a contract or between them and a third party, is contained in**

- (a) Sec. 62
- (b) Sec. 52
- (c) Sec. 64
- (d) Sec. 65

**408. In case of contractual obligations where the promisor dies before performance:**

- (a) The legal representatives of the promisor must perform the promise irrespective of the promise
- (b) The legal representatives of the promisor must perform the promise provided it is not one dependent on the personal qualifications of the promisor
- (c) The legal representatives need not perform the promise
- (d) The legal representative is not liable to pay damages for non-performance of the promise

**409. Ordinary damages will be awarded in cases where**

- (a) The loss naturally flows from the breach of contract

- (b) The loss is remotely connected with the breach of contract
- (c) The loss is unusual and arises out of special circumstances peculiar to the contract
- (d) None of these

**410. The law relating to damages is spelt out in ----- of the contract Act.**

- (a) Sec. 75
- (b) Sec. 73
- (c) Sec. 71
- (d) Sec. 65

**411. Where the parties to a contract have agreed that a certain sum of money would be paid in case of breach of contract, the Court will ensure that**

- (a) The exact amount mentioned in the contract is paid to the injured party
- (b) An amount not exceeding the stipulated amount is awarded
- (c) Reasonable compensation not exceeding the amount stipulated is awarded
- (d) A sum exceeding the amount stipulated is awarded

**412. A, dealing in baby foods, sends samples by train for being exhibited at a Consumer Product's Show which fact was made known to the rail way company. The goods reached the destination after the show was over. A sued the railway company for damages. A will be entitled to**

- (a) Ordinary damages
- (b) No damages
- (c) Exemplary damages
- (d) Special damages

**413. A stipulation in a contract in the nature of penalty is**

- (a) enforceable only under Indian law
- (b) enforceable only under English law
- (c) enforceable only under English and Indian laws
- (d) none of these

**414. Stipulations in a contract providing for enhanced rate of interest from date of default of payment of principal or compound interest are considered to be in the nature of**

- (a) Liquidated damages
- (b) Penalty
- (c) Unliquidated damages
- (d) None of these

**415. The word 'impossible' in section 56 connotes**

- (a) Physical impossibility
- (b) Literal impossibility
- (c) Commercial impossibility
- (d) Impracticability of performance

**416. A and B contract to marry each other. Before the time fixed for the marriage A goes mad. The contract is**

- (a) Valid
- (b) Void
- (c) Voidable
- (d) Valid till avoided by B

**417. A agrees to pay ₹5,000 for each article written by B, a famous author and the contract was for writing 10 articles in a year. B wrote 4 articles and A did not want him to write the other 6 articles for which B has prepared notes. In this case :**

- (a) B cannot recover anything
- (b) B can recover ₹50,000
- (c) B should first write 10 articles and then claim damages
- (d) B can claim ₹20,000 for 4 articles published (4 X 5000) and compensation for preparation of notes on the basis of quantum meruit

**418. Unliquidated damages connote**

- (a) Ordinary and special damages

- (b) Exemplary damages
- (c) Nominal damages
- (d) All of these

**419. In the case of wrongful dishonour of a cheque by a banker the damages awarded will be**

- (a) Nominal
- (b) Special
- (c) Exemplary
- (d) Ordinary

**420. If loss or damage arose naturally and directly in the usual course of things from a breach of contract, the aggrieved party would be eligible for**

- (a) Special damages
- (b) Nominal damages
- (c) Ordinary damages
- (d) Exemplary damages

**421. Where there is an infringement of a contractual right, but no actual loss has been suffered, the Court will award**

- (a) Nominal damages
- (b) Special damages
- (c) Exemplary damages
- (d) Ordinary damages

**422. Anticipatory breach of contract takes place when there is**

- (a) Breach of contract when performance is actually due
- (b) Breach of contract in the course of performance of the contract
- (c) Breach of contract prior to the date of performance
- (d) None of the above

**423. In case of remote and indirect loss or damage sustained by reason of breach of contract, the aggrieved party is entitled to**

- (a) Ordinary damages
- (b) Special damages
- (c) No damages
- (d) Exemplary damages

**424. Impossibility of performance occurs due to:**

- (a) Strike
- (b) Lock-out
- (c) Partial failure of object
- (d) Destruction of subject-matter

**425. By pre-contractual impossibility an agreement becomes:**

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

**426. Object of granting damages is:**

- (a) to penalize the party,
- (b) to monetarily compensate the party,
- (c) to set an example before the society,
- (d) none of the above.

**427. Specific performance is ordered where:**

- (a) the contract is of personal nature,
- (b) monetary compensation is an adequate remedy,
- (c) monetary compensation is not an adequate remedy.
- (d) performance is illegal.

**428. An injunction order is granted by the Court in case:**



- (a) specific performance of the contract is possible
- (b) specific performance of the contract is impossible.
- (c) the Court wants to restrain a party from committing a breach of contract.
- (d) the contract is against public interest.

**429. The doctrine of frustration is covered by which section of the Indian Contract Act?**

- (a) Section 46
- (b) Section 48
- (c) Section 56
- (d) None of these

**430. In the Indian Contract Act, Novation means**

- (a) Substitution of an existing contract with a new one
- (b) No frustration of executed contracts
- (c) Frustration due to change of circumstances
- (d) Impossibility does not mean mere commercial difficulty

**431. When there is breach of contract, special damages are awarded**

- (a) Only when there are special circumstances
- (b) Only when there is special loss
- (c) Only when there is a notice of the likely special loss
- (d) In all cases

**432. Hadley v. Baxendale case is a leading case on**

- (a) Breach of implied term
- (b) Anticipatory breach
- (c) Law of damages
- (d) None of these

**433. Damages which arise naturally in usual course of things from breach itself are called**

- (a) Special damages
- (b) Liquidated damages
- (c) Unliquidated damages
- (d) General damages

**434. In case of breach of contract, the Indian law awards damages**

- (a) To make good for the profit which may have been earned but for the breach
- (b) Which arose naturally or which parties knew to be likely when they entered into the contract
- (c) To penalise the defaulter
- (d) To compensate for mental anxiety and physical loss caused by the breach

**435. In case of anticipatory breach, the damages will be assessed**

- (a) From the date on which the breach occurred
- (b) From the promised date of performance
- (c) From the date the court instructed
- (d) None of these

**436. If the compensation to be paid on breach of contract is the genuine pre-estimate of the prospective damages, it is known as**

- (a) Penalty
- (b) Liquidated damages
- (c) Unliquidated damages
- (d) Special damages

**437. A stipulation for increased interest from the date of default is known as**

- (a) Compensation
- (b) Penalty
- (c) Liquidated damages
- (d) Damage

**438. In a contract of debt when a sum is expressed to be payable on a certain date and a further sum is stipulated to be payable in the event of default, then latter sum is by way of**

- (a) Liquidated damages
- (b) Penalty
- (c) Special damages
- (d) None of the above

**439. The damages awarded by way of punishment are called**

- (a) Special damages
- (b) Ordinary damages
- (c) Exemplary or indicative damages
- (d) None of these

**440. The remedies open to a person, suffering from breach of contract are**

- (a) Damages
- (b) Injunction
- (c) Quantum Meruit
- (d) All of the above

**441. The provisions regarding the measure of damages for breach of contract are laid down in**

- (a) Section 71 of the Contract Act
- (b) Section 72 of the Contract Act
- (c) Sections 73 to 75 of the Contract Act
- (d) Section 78 of the Contract Act

**442. Where the parties to a contract agree to substitute a new contract for it, it is known as**

- (a) Injunction
- (b) Novation
- (c) Rescission
- (d) Alteration

**443. The rule of impossibility is contained in**

- (a) Section 56 of Indian Contract Act
- (b) Section 59 of Indian Contract Act
- (c) Section 60 of Indian Contract Act
- (d) Section 62 of Indian Contract Act

**444. In the matter of liquidated damages**

- (a) The plaintiff is entitled to recover the agreed amount to compensation for the loss suffered
- (b) The plaintiff is not entitled to recover the agreed amount of compensation for the loss suffered
- (c) The plaintiff is entitled to recover the agreed amount of compensation without having to prove the exact loss suffered
- (d) The plaintiff is entitled to recover the agreed amount of compensation and has to prove the exact loss suffered

**445. A person, who sues for damages, under the law of contract**

- (a) Has a duty to mitigate the loss consequent upon the breach of contract
- (b) Has no duty to mitigate the loss consequent upon the breach of contract
- (c) Can claim damages for the sum inclusive of the amount of loss due to his negligence
- (d) Has entire discretion in the matter

**446. The first case on the 'doctrine of frustration' as decided by the Supreme Court of India is**

- (a) Basanti Bastralaya v. River Steam Navigation Co. Ltd.
- (b) Raja Dhuruv Dev Chand v. Raja Harmohinder Singh
- (c) Sushila Devi v. Hari Singh
- (d) Satyabrata Ghosh v. Mugneeram

**447. A party who suffers loss as a result of breach of contract, can, in the usual course, claim**

- (a) Ordinary damages
- (b) Special damages
- (c) Exemplary damages
- (d) Penal damages

**448. A party to a contract committing breach, is liable to pay compensation in respect of**

- (a) The direct consequences flowing from the breach
- (b) Loss or damage caused indirectly
- (c) Losses caused whether directly or indirectly
- (d) Losses caused remotely

**449. A party who does not suffer any loss in case of breach of contract, is entitled to**

- (a) Statutory damages
- (b) Liquidated damages
- (c) Exemplary damages
- (d) Nominal damages

**450. Which one of the following is relevant in normal circumstances in determining the amount of damages for breach of contract?**

- (a) Normally expected loss
- (b) Difference between market price and contract price
- (c) Sudden closure of production
- (d) Additional expenses for procuring the goods

**451. Which one of the following statements explains correctly the law of frustration?**

- (a) Frustration is the result of appellant's own choice
- (b) The legal effect of frustration depends on the intention of the promisor
- (c) Frustration does not exterminate the contract for all purposes
- (d) Waiver of frustration by one party does not bind the other party (promisor) for the remaining part of the contract

**452. In India, the doctrine of impossibility of performance rendering contracts void is based on**

- (a) The theory of implied term
- (b) The theory of just and reasonable solution
- (c) Supervening impossibility as laid down in Section 56 of the Indian Contract Act
- (d) Principle of unjust enrichment

**453. If the performance of contract becomes impossible, because of a supervening event, the promisor is excused from the performance. This is known as**

- (a) Doctrine of estoppel
- (b) Doctrine of frustration
- (c) Doctrine of eclipse
- (d) Doctrine of Caveat emptor

**454. Damages awarded with a view to punish the party who commits the breach of contract are known as**

- (a) Liquidated damages
- (b) Punitive damages
- (c) Special damages
- (d) General damages

**455. The code governing sale of goods was earlier contained in**

- (a) the Indian Contract Act
- (b) the Transfer of Property Act
- (c) the Hire Purchase Act
- (d) None of the above

**456. The Sale of Goods Act, 1930 governs the transfer of property in**

- (a) movable property
- (b) immovable property
- (c) both movable and immovable property
- (d) all type of properties

**457. "Goods" means**

- (a) every kind of movable property other than actionable claims and money
- (b) some kinds of immovable property only
- (c) every kind of movable property including actionable claims and money

(d) Both 'a' and 'b'

**458. Which one of the following does not connote 'goods' as defined in the Sale of Goods Act.**

- (a) money
- (b) animals
- (c) debt
- (d) both 'a' and 'c'

**459. Which of the following is/are not included in the meaning of 'goods' as defined in the Sale of Goods Act.**

- (a) stocks and shares
- (b) actionable claims
- (c) legal tender money
- (d) both 'b' and 'c'

**460. A contract of sale of goods is a contract whereby**

- (a) the seller transfers the property in goods to the buyer for a price.
- (b) the seller delivers the goods to the buyer in exchange of certain goods.
- (c) the seller transfers or agrees to transfer the property in goods to the buyer for a price.
- (d) the seller gives possession of goods to the buyer

**461. A valid contract of sale**

- (a) includes 'an agreement to sell'
- (b) does not include 'an agreement to sell'
- (c) includes hire purchase contract
- (d) includes contract a work and labour

**462. An essential element of a contract of sale is**

- (a) transfer of ownership in goods
- (b) delivery of goods
- (c) both 'a' and 'b'
- (d) either 'a' or 'b'

**463. Where under a contract of sale the property in goods is transferred from the seller to the buyer, the contract is called.**

- (a) an agreement to sell
- (b) a sale
- (c) both 'a' and 'b'
- (d) either 'a' or 'b'

**464. Where under a contract of sale the property in goods is to be transferred at a future time, the contract is called.**

- (a) an agreement to sell
- (b) a sale
- (c) neither 'a' nor 'b'
- (d) both 'a' and 'b'

**465. A valid sale must have two parties who**

- (a) must be competent to contract
- (b) may not be competent to contract
- (c) must be Indian citizens
- (d) must be residents of the same state

**466. In a valid sale**

- (a) absolute ownership must be transferred to the buyer.
- (b) absolute ownership with the goods must be transferred to the buyer
- (c) conditional transfer of ownership to the buyer

(d) contingent transfer of ownership to the buyer

**467. The subject matter of a valid sale are such goods which are**

- (a) transferred by seller to the buyer for a price
- (b) transferred by succession
- (c) transferred by a will
- (d) transferred by a buyer to the seller

**468. An agreement to sell is**

- (a) an executory contract
- (b) an executed contract
- (c) neither 'a' or 'b'
- (d) sometime 'a' or 'b'

**469. An 'agreement to sell' becomes 'sale' when**

- (a) the conditions are satisfied
- (b) the parties agree to change the terms of agreement
- (c) when the court orders
- (d) when the agreement is in writing

**470. 'Goods' as defined in Sale of Goods Act will include**

- (a) rare coins, goodwill and money
- (b) growing crops agreed to be severed before sale, old coins, and copyrights
- (c) goodwill, copyright, patent and foreign currency
- (d) both 'b' and 'c'

**471. Specific goods are such goods which are**

- (a) existing and identified at the time of making the contract
- (b) identified after the making of contract but before the performance of contract
- (c) both 'a' and 'b'
- (d) neither 'a' nor 'b'

**472. 'Future goods'**

- (a) can be the subject matter of sale
- (b) cannot be subject matter of sale
- (c) sometimes may be the subject matter of sale
- (d) depends on circumstances

**473. Where a contract of sale purports to effect a present sale of future goods, the contract operates as**

- (a) a sale
- (b) an agreement to sell
- (c) both 'a' and 'b'
- (d) all the above

**474. Where there is a contract for the sale of specific goods, and the goods perish before the making of contract, without the knowledge of the seller, the contract is**

- (a) voidable at the option of the buyer
- (b) void
- (c) illegal
- (d) unenforceable

**475. When there is a contract for unascertained goods, and goods perish without the fault of the seller or buyer before the risk passes to the buyer, the contract**

- (a) can be avoided
- (b) cannot be avoided
- (c) becomes void
- (d) becomes unenforceable

**476. To constitute a Contract of Sale, the transfer of property in goods**

- (a) must be for monetary consideration
- (b) may be for non-monetary consideration
- (c) must be for both monetary and nonmonetary consideration
- (d) may be either monetary or non monetary consideration

**477. Price must either be certain or definite or**

- (a) determined by some method or criterion prescribed in the contract
- (b) by valuation of a third party
- (c) All the above
- (d) None of the above

**478. If a contract of sale stipulates that price will be fixed by a third party on valuation of the goods, and the third party shows inability to do so, then,**

- (a) the agreement is void
- (b) the buyer shall pay reasonable price
- (c) the buyer shall pay market price
- (d) the agreement is valid

**479. Where there is an agreement to sell goods on the price fixed by a third party on valuation, but the third party refuses to do so, and the buyer appropriates part of the goods delivered to him.**

- (a) the buyer shall pay reasonable price
- (b) the agreement is avoided
- (c) the buyer shall pay market price
- (d) none of the above

**480. The Sale of Goods Act, 1930 extends to the whole of India, except the state of—**

- (a) Maharashtra
- (b) Jammu and Kashmir
- (c) Tamilnadu
- (d) Uttar Pradesh

**481. The Sale of Goods Act, 1930 came into force on —**

- (a) 1st day of July 1930
- (b) 1st day of September 1930
- (c) 1st day of January 1930
- (d) 31st day of December 1930

**482. The Sale of Goods Act, 1930 deals with —**

- (a) Cash Sales
- (b) Credit Sales
- (c) Hire Purchase Sales
- (d) Sale of Goods in general

**483. Conditions are stipulations**

- (a) essential to the main purpose of the contract
- (b) collateral to the main purpose of the contract
- (c) either 'a' or 'b'
- (d) neither 'a' nor 'b'

**484. A warranty is stipulation**

- (a) essential to the main purpose of the contract

- (b) collateral to the main purpose of the contract
- (c) very important to the seller
- (d) very important to the buyer

**485. Breach of a condition gives rise to**

- (a) claim for damages
- (b) a right to treat the contract as repudiated
- (c) both 'a' and 'b'
- (d) either 'a' or 'b'

**486. Breach of a warranty gives rise to**

- (a) claim for damages
- (b) a right to treat the contract as repudiated
- (c) both 'a' and 'b'
- (d) either 'a' or 'b'

**487. Whether a stipulation is a condition or a warranty depends on**

- (a) the construction of the contract
- (b) the conduct of the parties
- (c) the trade custom
- (d) the local law

**488. If a contract of a sale contains a stipulation which is impossible to fulfill then**

- (a) the contract becomes illegal
- (b) the law excuses such a stipulation by reason of impossibility
- (c) either 'a' or 'b'
- (d) both 'a' and 'b'

**489. Where a contract of sale is subject to any condition to be fulfilled by the seller and the seller commits a breach of that condition**

- (a) the buyer has to compulsorily treat the breach of condition as breach of warranty only
- (b) the buyer may voluntarily waive the condition
- (c) the buyer may do nothing
- (d) the buyer may contact another seller

**490. What are implied stipulations of a contract?**

- (a) agreed by the parties.
- (b) incorporated by law unless specifically agreed otherwise.
- (c) implied by the circumstances
- (d) implied by trade customs

**491. Once the buyer decides to waive the condition**

- (a) he can insist on its fulfillment later on
- (b) he cannot insist on its fulfillment thereafter
- (c) he is bound by the waiver
- (d) both 'b' and 'c'

**492. When will breach of condition be treated as breach of warranty only?**

- (a) when the contract is severable and buyer accepts the goods in full.
- (b) when the contract is indivisible and the buyer accepts the goods in full or part.
- (c) Either 'a' or 'b'
- (d) Both 'a' and 'b'

**493. What is the implied condition as to the title of goods?**

- (a) that seller has the right to sell if it is a case of sale
- (b) he will have a right to sell in case of agreement to sell
- (c) that the buyer will have the right to reject the goods
- (d) both 'a' and 'b'

**494. If the condition as to the title of goods is not fulfilled, the buyer**

- (a) may reject the goods
- (b) has no alternative but to buy the goods

- (c) may reject the goods and claim damages
- (d) all the above

**495. The implied condition as to the description of goods means that**

- (a) the goods shall perfectly correspond to the description
- (b) the goods should be capable of being sold in the market by that description
- (c) both 'a' and 'b'
- (d) neither 'a' nor 'b'

**496. In a sale by sample and description, there is an implied condition**

- (a) that bulk of the goods correspond with the sample
- (b) that bulk of goods must correspond to the description as well as the sample thereof
- (c) the bulk of goods must correspond either to the description or to the sample
- (d) the bulk of goods must correspond to the description only

**497. "If you contract to sell peas, you cannot oblige a party to have beans": this statement applies to**

- (a) a implied condition as to be description of goods
- (b) the implied condition as to fitness of goods for a particular purpose
- (c) implied condition as to sample
- (d) implied condition as to title

**498. Where goods are bought by description from a seller who deals in goods of that description, what is the implied condition?**

- (a) that goods shall be of merchantable quality
- (b) that the buyer shall have reasonable opportunity of comparing the bulk with the sample
- (c) the goods shall be in excellent quality
- (d) the goods shall be free from defects

**499. In a contract of sale, unless otherwise stated, there is an implied warranty.**

- (a) that the buyer can reject the goods if goods do not conform to his purpose
- (b) that the buyer shall have and enjoy quiet possession, and if there is a breach of this warranty, he is entitled to sue the seller for damages
- (c) that the buyer shall have right to terminate the contract in the event of non-compliance with the warranties
- (d) none of the above

**500. Where goods are known to be dangerous to the seller, and he also knows that the buyer is ignorant about it, there is an implied warranty**

- (a) that buyer must be informed about the dangerous nature of goods
- (b) that the buyer must examine the goods before taking delivery
- (c) the seller must warn the buyer
- (d) both 'a' and 'c'

**501. Under section 11 of the Sale of Goods Act, 1930, the time of payment can be of the essence of the contract —**

- (a) by agreement between the parties
- (b) by operation of law
- (c) both (a) and (b)
- (d) either (a) or (b)

**502. Whether or not any stipulation other than time of payment is of the essence of the contract depends upon —**

- (a) application of section 11
- (b) operation of law
- (c) terms of the contract
- (d) all of the above

**503. The doctrine of Caveat emptor is not applicable**

- (a) in case of sale under a patent name
- (b) in case of sale under a trade name
- (c) where the seller is guilty of fraud
- (d) where the buyer relies on the skill and judgment of the seller



**504. A stipulation in a contract of sale which is collateral to the main purpose of contract is called as**

- (a) guarantee
- (b) warranty
- (c) condition
- (d) term

**505. Merchantable quality of goods means**

- (a) that the goods are commercially saleable
- (b) they are fit for the purpose for which they are generally used
- (c) both 'a' and 'b'
- (d) the quality should be of high standard

**506. Property in the goods 'in the Sale of Goods Act means'**

- (a) ownership of goods
- (b) possession of goods
- (c) asset in the goods
- (d) custody of goods

**507. It is necessary to determine the precise moment of time at which the ownership of goods passes from seller to the buyer because**

- (a) risk passes with property
- (b) action can be taken only by the owner
- (c) suit for price by the seller does not lie unless the property has passed to the buyer
- (d) all the above

**508. Which of the following is not true**

- (a) risk and ownership cannot be separated
- (b) risk and ownership can be separated
- (c) parties may agree that risk will pass sometimes after the property has passed
- (d) parties may agree that risk will pass sometimes before the property has passed

**509. In case of unascertained goods the property in the goods passes:**

- (a) When the goods are ascertained
- (b) When the goods are appropriated
- (c) Both 'a' and 'b'
- (d) Either 'a' or 'b'

**510. In case of appropriation of goods, which are the essential requirements:**

- (a) The goods should conform to the description and quality stated in the contract.
- (b) The goods must be in a deliverable state.
- (c) The appropriation must be by the seller with the assent of the buyer.
- (d) All the above

**511. Appropriation of goods means**

- (a) separating the goods sold from other goods
- (b) putting the quantity of goods sold in suitable receptacles
- (c) delivering the goods to the carrier or other bailee for the purpose of transmission to the buyer with reserving the right of disposal
- (d) all the above

**512. In case of contract for the sale of specific or ascertained goods the property in goods passes to the buyer:**

- (a) At such time as the parties to the contract intend it to be transferred
- (b) When the price is paid
- (c) When delivery is given
- (d) When the contract is made

**513. For the purpose of ascertaining the intention of the parties for the purpose of transfer of property in goods from the seller to the buyer regard shall be had to:**

- (a) The terms of the contract
- (b) The conduct of the parties

- (c) The circumstances of the case
- (d) All the above

**514. In case of an unconditional contract for the sale of specific goods in a deliverable state, the property in the goods passes:**

- (a) At such time as the parties to the contract intend it to be transferred
- (b) When the price is paid
- (c) When delivery is given
- (d) When the contract is made

**515. The ownership in specific goods to be put in deliverable state passes-**

- (a) When the seller has brought the goods into a deliverable state and the buyer has notice thereof
- (b) When the goods are brought in deliverable state by the seller
- (c) The contract is made
- (d) When the intention is clear

**516. The general rule of Sale of Goods Act is, risk prima facie passes with**

- (a) Ownership
- (b) Possession
- (c) Delivery
- (d) Custody

**517. For passing of property in goods, the goods must be in**

- (a) deliverable state
- (b) manufacturing stage
- (c) consumable state
- (d) marketing state

**518. The purpose of weighing, measuring or testing of goods in a contract of sale of specific goods in deliverable state is:**

- (a) To ascertain the price
- (b) To ascertain the time of delivery
- (c) To ascertain the mode of delivery
- (d) To dispatch the goods

**519. When the goods are sent on sale or return basis, the property in the goods passes to the buyer:**

- (a) When the buyer signifies his approval or acceptance to the seller
- (b) When the buyer pledges the goods
- (c) When the buyer resells the goods
- (d) All the above

**520. Reserving the right of disposal of goods means**

- (a) The property passes over to the buyer only when the buyer pays the price
- (b) The property passes to the buyer when the buyer promises to pay the price
- (c) The property passes to the buyer irrespective of payment of price
- (d) The property passes to the buyer, when the seller dies

**521. A seller sends the goods and takes the railway receipt in his own name at the buyer's place the seller has-**

- (a) Reserved the right of disposal of goods
- (b) Not reserved the right of disposal of goods
- (c) May reserve the right of disposal of goods
- (d) The question of reserving the right of disposal does not arise

**522. "Nemo dat quad non habet", means:**

- (a) no one is greater than god
- (b) none can give who does not himself possess
- (c) every one can give everything he has
- (d) everyone is bound by is habit

**523. Sale of goods by a mercantile agent gives a good title to the purchaser even in cases where the**

**agent acts beyond his authority, provided the following conditions are satisfied-**

- (a) The agent is in possession of the goods or of a document of title to the goods.
- (b) The agent sells the goods in the ordinary course business.
- (c) The purchaser acts in good faith and has no notice that the agent had no authority to sell.
- (d) All the above

**524. In respect of.....Goods, the property in the goods is transferred to the Buyer at such time as the parties intend it to be transferred.**

- (a) Future
- (b) Unascertained
- (c) Contingent
- (d) Specific or Ascertained

**525. Which of the following is relevant for determining the passing of property in ascertained goods?**

- (a) Intention of Parties
- (b) Delivery of Goods
- (c) Payment of Price
- (d) All of the above

**526. For passing of property in respect of specific or ascertained goods, the intention of the parties can be ascertained from —**

- (a) Terms of the contract
- (b) Conduct of the parties
- (c) Circumstances of the case
- (d) All of the above

**527. The rule as to passing of property as laid down in section 20 of the Sale of Goods Act, shall apply when—**

- (a) the time of payment of price is postponed
- (b) the time of delivery of the goods is postponed
- (c) even the time of payment of price and the time of delivery of the goods are both postponed
- (d) neither the time of payment of price nor the time of delivery of the goods is postponed

**528. Under the Sale of Goods Act, 1930, the term "Mercantile Agent" means a mercantile agent, having as such agent, authority to —**

- (a) sell goods or consign goods for the purposes of sale
- (b) buy goods
- (c) raise money on the security of goods
- (d) do all of the above

**529. Under the Sale of Goods Act, 1930, "Mercantile Agent" should have authority —**

- (a) in the customary course of business as such agent
- (b) as specified in the contract of agency
- (c) as specified by the Buyer
- (d) as specified by the Seller

**530. The definition of "Documents of title to goods" given in the Sale of Goods Act, is —**

- (a) exhaustive
- (b) inclusive
- (c) exclusive
- (d) not clear

**531. Transfer of documents of title to the goods sold to the buyer, amounts to**

- (a) actual delivery
- (b) symbolic delivery
- (c) constructive delivery
- (d) none of these

**532. Under Sec.2(4) of the Sale of Goods Act, a delivery order enabling a person to obtain delivery on payment of price is**

- (a) Deemed as a Document of Title
- (b) Not a Document of Title

- (c) Document enabling title to Goods
- (d) Not a valid document at all

**533. A Document of Title to Goods enables the person named therein to transfer the property therein**

- (a) by mere endorsement
- (b) by mere delivery
- (c) both (a) and (b)
- (d) either (a) or (b)

**534. 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

**535. A Bill of Lading is a —**

- (a) Bill of Exchange
- (b) Promissory Note
- (c) Cheque
- (d) Document of Title to Goods

**536. When a bill of exchange is sent together with documents of title, the property in goods passes when the buyer.**

- (a) Receives the Bill of Exchange
- (b) Returns the Bill of Exchange
- (c) Accepts the Bill of Exchange
- (d) None of these

**537. A Promissory Note is NOT a Document of Title to Goods.**

- (a) True
- (b) False
- (c) Partly True
- (d) Conditionally True

**538. A Mate's Receipt (given By the Servant/Mate of the Captain of a Ship) is a —**

- (a) Document of Title to Goods
- (b) Document showing Title to Goods
- (c) Acknowledgement for receipt of Goods
- (d) instrument of Transfer

**539. "Warehouse - Keeper's Certificate" is a document of title to 'goods' within the meaning of section 2(4) of the Sale of Goods Act.**

- (a) True
- (b) False
- (c) Partly True
- (d) Conditionally True

**540. Which of these is a Document of Title to Goods?**

- (a) Usance Promissory Note
- (b) International Bill of Exchange
- (c) Bill of Lading
- (d) Account Payee Crossed Cheque

**541. Which of these is NOT a Document of Title to Goods?**

- (a) Bill of Lading
- (b) Railway Receipt
- (c) Dock Warrant
- (d) Bearer Cheque

**542. Dock Warrant is a**

- (a) Document showing title to Goods.
- (b) Document of Title to Goods

- (c) Bill of Exchange
- (d) Warrant for Arrest of a Person

**543. The term "Quality of Goods" in section 2(12) of the Sale of Goods Act, has a reference to —**

- (a) Description
- (b) Fitness for a particular purpose
- (c) State or condition
- (d) None of the above

**544. In case of.....goods, property passes to the Buyer, only when the goods are ascertained.**

- (a) Future
- (b) Specific
- (c) Contingent
- (d) Unascertained

**545. Where there is a contract for the sale of.....goods, no property in the goods is transferred to the Buyer, unless and until the goods are ascertained.**

- (a) Future
- (b) Unascertained
- (c) Contingent
- (d) Specific

**546. For transfer of property in unascertained goods, the basic condition is that —**

- (a) Goods must be ascertained and appropriated.
- (b) Goods must be defined by description.
- (c) Buyer must receive a sample of the goods
- (d) Seller must have produced/purchased the goods

**547. The property, in case of sale of unascertained goods, passes when—**

- (a) Delivery Order is entered
- (b) Goods are identified and appropriated to the contract
- (c) Goods are so far ascertained that the parties have agreed that they shall be taken from some specific larger stock.
- (d) Transfer is made in the books of the warehouse man

**548. In case of sale of unascertained goods, the property in goods passes —**

- (a) when the contract provides that the property in goods shall pass
- (b) when the goods are ascertained
- (c) when the contract is made
- (d) all of the above

**549. There was a contract to supply "waste coal and ash for the next six months, as and when the waste is generated by the Seller's Factory". The Buyer paid the lumpsum price for the next six months in advance. When does the property in the goods pass to the Buyer?**

- (a) After the lapse of six months period
- (b) At the time of entering into the contract
- (c) At the time of paying advance money
- (d) As and when the Factory discharges the waste

**550. The process of identifying the goods and setting apart as per the intended quality or description is called —**

- (a) Identification
- (b) Procurement
- (c) Ascertainment
- (d) Allocation

**551. Section 19 of the Sale of Goods Act, deals with passing of property of.....goods.**

- (a) Unascertained Goods
- (b) Future Goods
- (c) Specific or Ascertained Goods
- (d) Contingent Goods

**552. In a sale of specific or ascertained goods, the property therein is transferred to the buyer —**

- (a) upon delivery of goods
- (b) upon payment of price
- (c) at such time as the parties intend it to be transferred
- (d) at such time as decided by the Court

**553. The property in goods in a contract for sale of specific or ascertained goods, passes to the buyer —**

- (a) when the price is paid
- (b) when the contract is made
- (c) when the parties intend the property in goods to pass
- (d) all of the above

**554. Pledging of goods obtained on sale or return basis will:**

- (a) complete the sale
- (b) not complete the sale
- (c) complete agreement to sell
- (d) none of the above

**555. Which one of the following is not true?**

- (a) Warehouse keeper's certificate is a document of title to goods
- (b) Document showing title is different from document of title
- (c) Specific goods are identified after the contract of sale
- (d) Barter and sale are different from each other

**556. Voluntary transfer of possession from one person to another is called as**

- (a) Ownership
- (b) Delivery
- (c) Gift
- (d) License

**557. Which of the statement is incorrect in connection with duties of seller and buyer:**

- (a) It is the duty of the seller to deliver the goods
- (b) It is the duty of the buyer to accept and pay for them
- (c) It is not the duty of the seller to deliver the goods
- (d) It is the duty of the buyer to take delivery of goods

**558. Delivery of goods means-**

- (a) Voluntary transfer of possession
- (b) Compulsory transfer of possession
- (c) Exchange of goods
- (d) Voluntary transfer of ownership

**559. For a valid contract of sale, delivery may be:**

- (a) Actual delivery
- (b) Symbolic delivery
- (c) Constructive delivery
- (d) All of these

**560. Delivery of the keys of a godown where goods are kept amounts to:**

- (a) Actual delivery
- (b) Symbolic delivery
- (c) Constructive delivery
- (d) All of these

**561. Which of the following is a constructive delivery?**

- (a) When the seller hands over the goods physically
- (b) When the means of obtaining possession is handed over to the buyer
- (c) When there is delivery by attornment
- (d) All the above

**562. There are.....modes of delivery**

- (a) Three
- (b) Two
- (c) Four
- (d) Five

**563. Unless otherwise agreed:**

- (a) Delivery of the goods and payment of the price are concurrent conditions
- (b) First delivery of goods and then payment of price
- (c) First payment of price and then delivery of goods
- (d) No payment no delivery

**564. Unless otherwise agreed, the buyer-**

- (a) must apply for delivery
- (b) has no duty to ask for delivery
- (c) must be ready to accept delivery
- (d) must tell the carrier to visit the seller for delivery

**565. The place of delivery can be-**

- (a) The place where the goods are lying at the time of sale
- (b) The place where the parties have agreed
- (c) The place where the goods are manufactured
- (d) All the above

**566. If no time is fixed, the seller must send them within-**

- (a) Six months
- (b) Two months
- (c) Reasonable time
- (d) One month

**567. When goods are in possession of third person, delivery is complete:**

- (a) When such third party acknowledges to the buyer that he holds the goods on his behalf
- (b) Even though such third party does not acknowledge
- (c) When the physical possession of the goods is given
- (d) None of the above

**568. Where the part delivery is made in progress of the whole delivery, then:**

- (a) It is treated as delivery of the whole
- (b) It is treated as delivery of the part
- (c) It is not treated as delivery at all
- (d) None of these

**569. Unless otherwise agreed, the expenses of making delivery are borne by:**

- (a) The carrier
- (b) The buyer
- (c) The seller
- (d) The agent

**570. If the seller delivers to the buyer goods ordered mixed with goods of a different description, the buyer may -**

- (a) reject the whole
- (b) accept the agreed goods and reject the remaining goods
- (c) either 'a' or 'b'
- (d) neither 'a' nor 'b'

**571. Which of the following statements is incorrect?**

- (a) Unless otherwise agreed, the goods are not to be delivered by instalments.
- (b) The delivery of goods to a carrier or a wharfinger in pursuance of a contract of sale, is prima facie deemed to be delivery of goods to buyer.
- (c) Force majeure clause gives an excuse to the parties in case of non-performance of contract.
- (d) Any risk of deterioration in the goods necessarily incident to the course of transit shall be borne by the seller

- 572. Where goods are delivered to the buyer and he refuses to accept them, having the right so to do:**
- (a) The buyer is not bound to return them to the seller
  - (b) It is sufficient if the buyer intimates to the seller that he refuses to accept them
  - (c) It is duty of a seller to take back the goods
  - (d) All are correct statements
- 573. In case of carriage of goods by sea, where the seller has to put the goods on board a ship at his own expenses, the contract is known as**
- (a) F.O.B. Contract
  - (b) CLE Contract
  - (c) Ex-ship Contract
  - (d) FAS Contract
- 574. The events of force majeure render the contract of 'Sale of Goods'**
- (a) voidable
  - (b) void
  - (c) enforceable
  - (d) unenforceable
- 575. In case of carriage of goods by sea, where the seller has to deliver the goods to the buyer at the port of destination, the contract is known as**
- (a) F.O.B. Contract
  - (b) CLE Contract
  - (c) Ex-ship Contract
  - (d) FAS Contract
- 576. Under a.....contract the seller is required to insure the goods, deliver them to the shipping company, and arrange for their affreightment.**
- (a) F.O.B. Contract
  - (b) CLE Contract
  - (c) Ex-ship Contract
  - (d) FAS Contract
- 577. The general principle regarding transfer of title in case of sale of goods is that—**
- (a) The seller cannot transfer to the buyer a better title than he himself has
  - (b) The seller can transfer to the buyer a better title than he himself has
  - (c) The buyer can transfer to the seller a better title than he himself has
  - (d) The seller's representative can transfer to the buyer no title
- 578. The Seller of Goods is deemed to be an Unpaid Seller when the.....of the price has not been paid or tendered.**
- (a) whole
  - (b) part
  - (c) substantial portion
  - (d) minimal portion
- 579. The Seller of Goods is deemed to be an Unpaid Seller when a bill of exchange or other negotiable instrument has been received as conditional payment and the condition —**
- (a) has been fulfilled
  - (b) has not been fulfilled
  - (c) has been waived
  - (d) has not be waived
- 580. The Seller of Goods is deemed to be an Unpaid Seller when.....has been received as conditional payment and the condition has not been fulfilled, by way of dishonour or otherwise.**
- (a) Cheque
  - (b) Promissory Note
  - (c) Bill of Exchange
  - (d) Any of the above
- 581. The term "Unpaid Seller" includes —**
- (a) Agent of the Buyer



- (b) Agent of the Seller
- (c) Agent of the Carrier/Transporter
- (d) All of the above

**582. The term "Unpaid Seller" includes —**

- (a) Buyer's agent to whom the Bill of Lading is endorsed
- (b) Buyer's agent to whom the goods have been delivered
- (c) Seller's agent to whom the Bill of Lading is endorsed
- (d) Seller's agent to whom the goods have been delivered

**583. Which of the following is not included in the term Unpaid Seller?**

- (a) any person who is in the position of a Seller
- (b) a consignor or an agent who has himself paid, or is directly responsible for the price.
- (c) Buyer's agent to whom the Bill of Lading is endorsed
- (d) Seller's agent to whom the goods have been delivered

**584. Even if a substantial portion of the price is paid and only a small balance is pending, the Seller is still regarded as an Unpaid Seller.**

- (a) True
- (b) Partly True
- (c) False
- (d) None of the above

**585. Unpaid Seller can exercise his right of lien —**

- (a) even when property in goods has passed to the Buyer
- (b) only when property in goods has not passed to the Buyer
- (c) either (a) or (b)
- (d) neither (a) nor (b)

**586. Unpaid Seller can exercise his right of stopping the goods in transit —**

- (a) even when property in goods has passed to the Buyer
- (b) only when property in goods has not passed to the Buyer
- (c) either (a) or (b)
- (d) neither (a) nor (b)

**587. Unpaid Seller can exercise his right of re-sale of goods—**

- (a) even when property in goods has passed to the Buyer
- (b) only when property in goods has not passed to the Buyer
- (c) either (a) or (b)
- (d) neither (a) nor (b)

**588. Unpaid Seller can exercise his right of withholding delivery of goods —**

- (a) even when property in goods has passed to the Buyer
- (b) only when property in goods has not passed to the Buyer
- (c) either (a) or (b)
- (d) neither (a) nor (b)

**589. The right of lien is available to the Unpaid Seller, only when —**

- (a) he is not in possession of the goods
- (b) he is in possession of the goods
- (c) he has delivered the goods to the Carrier/ Transporter
- (d) he has delivered the goods to the Buyer

**590. The right of lien is available to the Unpaid Seller, u/s 47 of the Sale of Goods Act, when he is in possession of goods —**

- (a) as an agent of the Buyer
- (b) as a Bailee for the buyer
- (c) in his own right
- (d) all of the above

**591. In which of the following situations, the right of lien available to the Unpaid Seller is lost?**

- (a) Where the Goods have been sold without any stipulation as to credit;

- (b) Where the Goods have been sold on credit, but the credit period has expired;
- (c) Where the Buyer becomes insolvent;
- (d) Where the Unpaid Seller has parted with the possession of the goods.

**592. Once possession is lost, right of lien of the Unpaid Seller is also lost. This statement is**

- (a) True
- (b) Partly True
- (c) False
- (d) None of the above

**593. Where the goods have been delivered to Rail ways for carriage and the R/R is taken in the name of the seller or his agent:**

- (a) the seller is prima facie deemed to reserve the right of disposal
- (b) the seller did not retain the right of disposal
- (c) the seller cannot retain right of disposal
- (d) none of the above

**594. When the goods have been sold on credit and the credit period ..... lien can he exercised**

- (a) has not expired
- (b) has expired
- (c) has not been extended
- (d) has been extended

**595. The right of lien can be exercised by the Unpaid Seller in respect of—**

- (a) Price
- (b) Any other expenses, eg. Godown Charges, Interest, etc.
- (c) Both (a) and (b)
- (d) Either (a) or (b)

**596. The Unpaid Seller.....to deliver a part of the Goods on payment of a proportionate part of the price by the Buyer.**

- (a) shall be bound
- (b) may refuse
- (c) must honour his commitment
- (d) shall request the carrier

**597. Generally, where an Unpaid Seller has made part delivery of the Goods, he —**

- (a) may exercise his right of lien on the remainder
- (b) has to honour the entire contract
- (c) loses his lien on the remainder of the goods
- (d) can supply defective goods in respect of the remainder

**598. In which of the following cases, the Unpaid Seller does not lose his right of lien —**

- (a) When he delivers the goods to a carrier or other bailee for the purpose of transmission to the Buyer without reserving the right of disposal
- (b) When the Buyer or his agent lawfully obtains possession of the goods;
- (c) When Seller himself waives the right of lien
- (d) When Seller obtains a decree for the price of the goods

**599. Where the Unpaid Seller has obtained a decree for the price of the goods, the right of lien —**

- (a) can be exercised
- (b) is lost
- (c) is at the option of the Court
- (d) is at the option of the Seller

**600. Where the Unpaid Seller has parted with the goods by handing it over to a carrier for transmission, and the goods are in transit, he can reclaim possession thereof. This right is called —**

- (a) Right of Lien
- (b) Right of Stoppage of goods in transit
- (c) Right of withholding delivery of goods
- (d) Right of Re-sale

- 601. Right of Stoppage in transit can be exercised by the Unpaid Seller, where he —**
- (a) has lost his right of lien
  - (b) still enjoys his right of lien
  - (c) either (a) or (b)
  - (d) neither (a) nor (b)
- 602. Right of Stoppage in transit can be exercised by the Unpaid Seller, where the Buyer—**
- (a) is solvent
  - (b) becomes insolvent
  - (c) acts fraudulently
  - (d) acts smartly
- 603. If, after the arrival of goods at their destination, Carrier or other Bailee acknowledges to Buyer or his agent that he holds goods on his behalf, and continues possession of the goods, the transit—**
- (a) is at an end
  - (b) is deemed to continue
  - (c) is not at an end
  - (d) is not affected at all
- 604. If goods are rejected by the buyer and the Carrier or other Bailee continues in possession of them, and the seller has refused to receive them back, then transit —**
- (a) is at an end
  - (b) is deemed to be at an end
  - (c) is not deemed to be at an end
  - (d) is dependent on the Court's decision
- 605. If, after the arrival of Goods at their destination, Carrier or other Bailee acknowledges to Buyer or his agent that he holds goods on his behalf, and continues possession of the goods, the transit is at an end —**
- (a) even if the buyer indicates further destination for the goods to the Carrier.
  - (b) only when the buyer takes delivery of the goods
  - (c) only when the buyer is solvent
  - (d) only when the seller's agent takes delivery of the goods
- 606. If the Carrier/Bailee wrongfully refuses to deliver the goods to the buyer or his agent, the transit —**
- (a) is at an end
  - (b) is deemed to be at an end
  - (c) is not deemed to be at an end
  - (d) is dependent on the Court's decision
- 607. Sub-sale by the buyer with Seller's consent leads to loss of right of stoppage in transit.**
- (a) True
  - (b) Right not affected
  - (c) False
  - (d) None of the above
- 608. S sells certain goods to B of Bombay. The goods are handed over to the railways for transmission to B. In the mean time B sells the goods to a third party T for consideration without the consent of S. B. becomes insolvent. In this case —**
- (a) S has the right of stoppage in transit
  - (b) S has lost his right of stoppage in transit
  - (c) Station Master has the right of stoppage in transit
  - (d) None of the above
- 609. Right of Stoppage in Transit may be exercised by the Unpaid Seller, by —**
- (a) taking actual possession of Goods
  - (b) giving notice of his claim to the Carrier/ Bailee who holds the Goods.
  - (c) either (a) or (b)
  - (d) Both (a) and (b)
- 610. The Unpaid Seller's right of lien or right of stoppage in transit is NOT AFFECTED by any sale or other disposition of the Goods made by Buyer, unless —**

- (a) Buyer becomes solvent
- (b) Buyer obtains delivery of goods before destination
- (c) Seller has assented to such sale
- (d) Seller obtains delivery of goods before destination

**611. Unpaid Seller's right of stoppage in transit can be exercised only when the Buyer is insolvent.**

- (a) True
- (b) Partly True
- (c) False
- (d) None of the above

**612. An Unpaid Seller can re-sell only -when he is in possession of the Goods either by**

- (a) exercise of his lien on the Goods
- (b) regaining possession from Carrier by issuing a notice of stoppage in transit upon Buyer's insolvency
- (c) both (a) and (b)
- (d) either (a) or (b)

**613. The word "perishable" in respect of goods, u/ s 54 of the Sale of Goods Act, means**

- (a) physically perishable
- (b) commercially perishable
- (c) both (a) and (b)
- (d) either (a) or (b)

**614. Where under a contract of sale the property in goods has passed to Buyer and Buyer wrong fully neglects or refuses to pay the price, the Seller can sue the Buyer for —**

- (a) payment of price of goods
- (b) damages for non-acceptance of goods
- (c) payment of other charges like insurance, forwarding etc.
- (d) all of the above

**615. Where under a contract of sale, the Buyer wrong fully neglects or refuses to pay the price, the Seller can sue the Buyer for the price of goods, if the property in goods -**

- (a) has not passed to buyer
- (b) has passed to buyer
- (c) either (a) or (b)
- (d) remains with the seller

**616. Where under a contract of sale, the price is payable on a certain day irrespective of delivery and Buyer wrongfully neglects or refuses to pay the price, the Seller can sue the Buyer for the price of goods. For this purpose, goods —**

- (a) should be appropriated to the contract
- (b) need not be appropriated to the contract
- (c) should be delivered to the buyer
- (d) need not be delivered to the buyer

**617. Generally, where the Buyer has paid the price and Seller refuses to deliver the goods, buyer can sue the seller for —**

- (a) specific performance of the contract
- (b) delayed delivery of goods
- (c) refund of price already paid
- (d) non-acceptance of goods

**618. Where there is a breach of warranty -by seller; or where the Buyer elects or is compelled to treat any breach of condition by the seller as breach of warranty, the buyer is entitled to —**

- (a) reject the goods
- (b) set up against the Seller the breach of warranty in diminution or extinction of the price
- (c) sue the Seller for damages for breach of warranty
- (d) either 'b' or 'c'

**619. In case of interest by way of damages and special damages in a suit by the seller u/s 61, the interest may be calculated from —**

- (a) date of tender of goods
- (b) date on which the price was payable
- (c) either (a) or (b)
- (d) both (a) and (b)

**620. When under a contract of sale, buyer has paid the price, but seller neglects to deliver goods, buyer has a right to claim interest on the amount of price. The buyer can claim interest —**

- (a) only when he can recover the price
- (b) only when he is entitled to claim damages
- (c) either (a) or (b)
- (d) both (a) and (b)

**621. If the goods are rejected by the buyer and the carrier or other bailee continues in possession of them, the transit.....even if the seller has refused to receive them back.**

- (a) is deemed to be at an end
- (b) is not deemed to be at an end
- (c) continues
- (d) both 'b' and 'c'

**622. In an auction sale of goods, the seller makes use of pretended bidding to raise the price, the sale is —**

- (a) valid
- (b) void
- (c) voidable at the instance of the buyer
- (d) unenforceable

**623. An auction sale is complete on the -**

- (a) delivery of goods
- (b) payment of price
- (c) fall of hammer
- (d) None of the above

**624. In the case of sale by auction, where goods are put for sale in lots, each lot is prima facie the subject of—**

- (a) a single contract of sale
- (b) a separate contract of sale
- (c) either (a) or (b)
- (d) both (a) and (b)

**625. In the case of sale by auction, the seller of goods has a right to bid at the auction**

- (a) with the permission of the auctioneer
- (b) only when the right to bid has been expressly reserved
- (c) even when the right to bid has been impliedly reserved
- (d) with the permission of the bidder

**626. Where a right to bid at the auction has been expressly reserved by the seller, the seller can depute —**

- (a) not more than one agent to bid on his behalf
- (b) not more than two agents to bid on his behalf
- (c) not more than three agents to bid on his behalf
- (d) any number of agents to bid on his behalf

**627. In case of sale by auction, a bid can be recalled at any time before the fall of hammer.**

- (a) True
- (b) Depends on the auctioneer
- (c) False
- (d) None of the above

**628. In the case of sale by auction, as soon as the hammer falls, goods become the property of the buyer —**

- (a) even if there is a condition that the goods shall be" removed before payment
- (b) only on payment

- (c) only if there is a condition that the goods shall not be removed before payment
- (d) only on delivery

**629. Where the sale is not notified to be subject to a right to bid on behalf of seller, it shall not be lawful for the seller—**

- (a) to bid for himself
- (b) to employ any person to bid at such sale
- (c) either (a) or (b)
- (d) neither (a) nor (b)

**630. Where the sale is not notified to be subject to a right to bid on behalf of seller, and the Auctioneer knowingly takes any bid from the Seller or any such person, the sale shall be treated as.....by the buyer.**

- (a) unlawful
- (b) illegal
- (c) immoral
- (d) fraudulent

**631. An act by which an intending bidder is discouraged or dissuaded from bidding in the auction sale is called**

- (a) Puffer
- (b) Damping
- (c) Dumping
- (d) Knockout

**632. ....is a form of combination of buyers to prevent competition among themselves at an auction sale.**

- (a) Knock-out agreement
- (b) monopoly agreement
- (c) oligopoly agreement
- (d) puffing agreement

**633. In pretended bidding, sale is**

- (a) voidable at the option of the seller
- (b) valid
- (c) voidable at the option of the buyer
- (d) illegal

**634. In an auction sale, the property shall be sold to be**

- (a) Lowest bidder
- (b) Highest bidder
- (c) Any bidder
- (d) All bidders

**635. On auctioneer will be liable for damages:**

- (a) If the auctioneer had no authority to sell the goods.
- (b) If there is a defect in principal's title.
- (c) If the buyer's possession is disturbed by auctioneer principal or auctioneer himself.
- (d) All the above

**636. Unless excluded by an agreement to the contrary, where after a contract has been made but before it has been performed, excise duty is increased**

- (a) The buyer would have to pay increased price
- (b) The seller cannot charge increased price
- (c) The seller can charge increased price
- (d) Both 'a' and 'c'

**637. The Indian Partnership Act came into force on:**

- (a) 1st April 1932
- (b) 1st June 1932
- (c) 1st July 1932
- (d) 1st October 1932, except section 69

**638. Prior to the enactment of Indian Partnership Act, 1932 the law on this subject was contained in:**

- (a) Code of Civil Procedure, 1908
- (b) Indian Contract Act, 1872
- (c) Companies Act, 1913
- (d) Negotiable Instruments Act, 1881

**639. The term 'partnership' has been defined under.....of the Partnership Act, 1932:**

- (a) Section 3
- (b) Section 4
- (c) Section 5
- (d) Section 6

**640. The Indian Partnership Act, 1932 extends to the whole of India except:**

- (a) The State of Jammu & Kashmir
- (b) The State of Jammu & Kashmir and the State of Sikkim
- (c) The State of Jammu & Kashmir and the North-eastern States of India
- (d) The North-Eastern States of India

**641. What among the following is not an essential element of partnership:**

- (a) There must be an agreement entered into by all the persons concerned
- (b) The agreement must be to share the profits of a business
- (c) The business must start within six months from the date of agreement
- (d) The business must be carried on by all or any one of them acting for all

**642. A Joint Hindu Family is created:**

- (a) By a contract
- (b) By operation of law or status
- (c) By registration
- (d) By all the above mode

**643. A club is the form of:**

- (a) Association not for profit
- (b) Partnership
- (c) Sole proprietorship
- (d) Public company

**644. The Partnership Act, 1932**

- (a) Specifies the minimum number of partners in a firm
- (b) Specifies the maximum number of partners in a firm
- (c) Both (a) and (b)
- (d) None of the above

**645. The ceiling on maximum number of partners in a firm is laid down in:**

- (a) The Partnership Act, 1932
- (b) The Indian Contract Act, 1872
- (c) The Companies Act, 1956
- (d) Central Government notification

**646. The test of partnership is laid down in the following case:**

- (a) Cox v. Hickman
- (b) Garner v. Murray
- (c) Mohiribibi v. Dharmodas Ghosh
- (d) None of the above

**647. A partnership firm**

- (a) Is a legal person
- (b) Is not a legal person
- (c) Has a distinct legal personality
- (d) None of the above

**648. A partnership formed for the purpose of carrying on particular venture or undertaking is known as:**

- (a) Limited partnership

- (b) Special partnership
- (c) Joint Venture
- (d) Particular partnership

**649. From among the following who cannot become a partner of the firm?**

- (a) A Hindu joint family
- (b) Minor
- (c) Director of a Company
- (d) A limited Company

**650. Under section 4 of the Indian Partnership Act, 1932, partnership is a:**

- (a) Compulsory legal relationship
- (b) Voluntarily legal relationship
- (c) A relation arising from status
- (d) A relation for a charitable purpose

**651. A partnership in a banking business can have:**

- (a) Not more than 2 partners
- (b) Not more than 10 partners
- (c) Not more than 20 partners
- (d) Unlimited partners

**652. A partnership in a non-banking business can have:**

- (a) Not more than 2 partners
- (b) Not more than 10 partners
- (c) Not more than 20 partners
- (d) Unlimited partners

**653. A firm in steel business has 15 partners. It wants to include 15 more persons:**

- (a) It can admit 15 more partners.
- (b) It can enter into partnership with a firm consisting of 15 partners in order to enjoy the same effect.
- (c) Both of above
- (d) None of above

**654. The principle of.....is applicable to partners in a partnership:**

- (a) Uberrimae fidei/Utmost Good Faith
- (b) Ultimate Trust
- (c) Insurable Interest
- (d) Blind Faith

**655. Limited Liability partnership is a form of partnership that:**

- (a) Is not possible
- (b) Is allowed in certain circumstances in the Partnership Act, 1932
- (c) Is now abolished
- (d) Can be set up by LLP Act, 2008

**656. Which of the following statements is true in respect of an HUF :**

- (a) A member of HUF can ask for an account of past profits
- (b) On the death of a co-parcener the family business is dissolved
- (c) A coparcener is liable to extent of his share in the family state
- (d) A coparcener is an agent of another coparcener

**657. Two Hindu Joint Families:**

- (a) Cannot unite to constitute a partnership
- (b) Cannot unite to constitute a partnership, but their managing members may become partners.
- (c) Can constitute partnership
- (d) Both (a) and (b)

**658. A partnership firm is:**

- (a) A legal person
- (b) Not a distinct legal entity from its partners



- (c) A distinct legal entity from its partners
- (d) None of the above

**659. A partnership cannot be constituted by:**

- (a) Two individuals
- (b) Two Hindu Joint families
- (c) Two partnership firms
- (d) Both (b) and (c)

**660. A firm:**

- (a) Cannot become a partner
- (b) Can become a partner
- (c) Can become a partner with the permission of the court
- (d) Can become a partner with unanimous consent of all the partners

**661. Select the odd one :**

- (a) Hindu Unlimited Family
- (b) Partnership
- (c) Company
- (d) Body Corporate

**662. Partnership is a relationship, which arises from:**

- (a) Operation of law
- (b) An agreement
- (c) Status
- (d) Almighty

**663. Which of the following is a valid partnership**

- (a) Partnership between kartas of two Hindu Joint Families
- (b) Partnership between two Hindu Joint Family.
- (c) Partnership between a Hindu Joint Family and firm
- (d) Both (b) and (c)

**664. The relation of partnership arises from contract and not from status and in particular the Indian Partnership Act does not apply to the family business carried on by:**

- (a) Cutchi-Memons
- (b) Christians
- (c) Burmese Buddhist husband and wife
- (d) Mohammedans

**665. A partnership for which no period or duration is fixed under the Indian Partnership Act is known as :**

- (a) Unlimited partnership
- (b) Co-ownership
- (c) Particular partnership
- (d) Partnership at will

**666. In a partnership at will:**

- (a) There should be no provision in the contract between the partners for the duration of their partnership
- (b) There should be no provision in their contract for the ending of their partnership
- (c) Either (a) or (b)
- (d) Both (a) and (b)

**667. For constituting a partnership within the meaning of section 4 of the Indian Partnership Act, 1932.**

- (a) There has to be a business
- (b) The business must be lawful
- (c) It may be temporary or permanent
- (d) All the above

**668. In determining whether a group of persons is OR is not a firm, regards shall be had to :**

- (a) Real relation between the parties
- (b) All relevant facts taken together

- (c) Legal relation between the parties
- (d) Both (a) and (b)

**669. The minimum number of persons required for a partnership is:**

- (a) 2
- (b) 5
- (c) 10
- (d) 20

**670. The essential elements of partnership does not include:**

- (a) Partnership should be registered
- (b) There must be an agreement to share profits of a business
- (c) There must be mutual agency among partners
- (d) There must be an association of two or more persons

**671. The partnership relation does not exist when:**

- (a) A creditor taking a share of profits in lieu of interest and part payment of principal.
- (b) A person receives a share of profit as a part of his remuneration.
- (c) Share of profits given to workers as bonus.
- (d) None of the above.

**672. .... does not take active part in conduct of the business.**

- (a) Dormant partner
- (b) Sub-partner
- (c) Both (a) and (b)
- (d) Partner by estoppels

**673. The partnership firms becomes an illegal association, when:**

- (a) The number of partners in a banking business exceeds 10
- (b) The number of partners in a non-banking business exceeds 10
- (c) The number of partners in a non-banking business exceeds 20
- (d) Both (a) and (c)

**674. Where the maximum number of partners in a firm carrying on banking business exceeds ten and in any other firm exceeds twenty, then the partnership becomes a:**

- (a) Unlawful partnership
- (b) Illegal association
- (c) Limited liability partnership
- (d) Large partnership

**675. If Partnership Act, does not define an expression, then the reference shall be had to**

- (a) Indian Contract Act
- (b) Sale of Goods Act
- (c) Evidence Act
- (d) Companies Act

**676. The unrepealed provisions of the Act shall continue to apply to firms, save insofar as they are inconsistent with the express provisions of the Partnership Act.**

- (a) Transfer of Property Act
- (b) Indian Evidence Act
- (c) Indian Contract Act
- (d) Sale of Goods Act

**677. Which of these are not necessary for constituting a partnership?**

- (a) Sharing of business profits
- (b) Mutual agency
- (c) Two are more persons
- (d) Written contract

**678. Which of this is not a valid partnership?**

- (a) Minor admitted to benefits of the partnership
- (b) Company admitted as a partner

- (c) Partnership between Indian national & alien friend
- (d) partnership between two HUFs

**679. To form a partnership, the minimum capital contribution should be:**

- (a) ₹1 lakh
- (b) ₹ 10 lakh
- (c) ₹ 1 crore
- (d) There is no minimum limit

**680. Property of firm does not include:**

- (a) All property which the partners have originally brought into the common stock of the business
- (b) Goodwill of the business
- (c) Personal properties belonging to the partner
- (d) Property acquired by the funds of the firm

**681. Liability of a partner is —**

- (a) Limited to the extent of his share of the business profits
- (b) Unlimited
- (c) Limited to the extent of capital contributed
- (d) Limited to the extent of net worth of the firm

**682. Which is NOT a characteristic of partnership firms?**

- (a) Perpetual succession
- (b) Unlimited liability of partners
- (c) Mutual agency
- (d) Sharing of profits of business

**683. The maximum number of persons permissible for a valid partnership for doing Banking business is:**

- (a) 2
- (b) 10
- (c) 15
- (d) 20

**684. For which of the following purpose is partner ship formed?**

- (a) Political purpose
- (b) Altruistic purpose
- (c) Social purpose
- (d) Business purpose

**685. Which of these sharing arrangements reflects a partnership?**

- (a) By a lender of money to persons engaged or about to engage in any business
- (b) By a servant or agent as remuneration
- (c) By a partner who does not actively engage himself in the day to day business affairs
- (d) By the widow or child of the deceased partner as annuity

**686. To form a partnership, the parties should share**

- (a) Only profits
- (b) Only losses
- (c) Both profits and losses
- (d) Profits and losses but some partners may not share losses

**687. In determining whether a group of persons is or is not a firm; or whether a person is or is not a partner in a firm, regard shall be had to the real relation between the parties. This is ascertained from:**

- (a) All material facts of the case
- (b) All relevant facts taken together
- (c) All relevant provisions of Partnership Act
- (d) The intention of the parties

**688. Where no time is expressly stated for its duration and there is no contract to fix the duration, the partnership may be terminated at a moment's notice by the other party. This partnership is called -**

- (a) Joint Venture

- (b) Partnership at will
- (c) Particular partnership
- (d) Co-partnership

**689. When a partner of a firm agrees to share his own share of profits with an outsider, it called:**

- (a) Sub-partnership
- (b) Co-partnership
- (c) Undisclosed partnership
- (d) Profit sharing scheme

**690. Which of the parties may be admitted as a partner?**

- (a) Person of unsound mind
- (b) Minor
- (c) Alien enemies
- (d) An insolvent

**691. A new partnership may be formed by the following persons:**

- (a) One major and all other minors
- (b) One minor and minimum two other majors.
- (c) Minimum two majors and minor only admitted to the benefits of firm
- (d) One minor and another minor

**692. Where the goodwill of the firm is sold after dissolution, a partner may carry on a business, competing with that of the buyer and he, subject to the agreement between the buyer and him self, may not:**

- (a) Use the firm name
- (b) Represent himself as carrying on the business of the firm
- (c) Solicit the customers of the old firm.
- (d) All the above

**693. Out of the following statements which is true-**

- (a) A sleeping partner is also liable to the third parties
- (b) Law of partnership is an extension of the law guarantee
- (c) The registration of firm is compulsory
- (d) Partnership has a separate legal entity

**694. Registration of the firm under the Partnership Act is:**

- (a) Optional
- (b) Obligatory
- (c) Compulsory
- (d) Necessary

**695. A partnership firm has to be registered with:**

- (a) Director of firms
- (b) Registrar of firms
- (c) Registrar of companies
- (d) Competent court

**696. In case of a unregistered partnership firm**

- (a) A partner cannot file a suit against the firm
- (b) A partner cannot file a suit against any partner of the firm
- (c) The firm cannot file a suit against third parties to enforce a contract
- (d) All the above

**697. The Partnership Act by section 69 indirectly renders the registration firm compulsory by providing:**

- (a) Certain disabilities
- (b) Penalties on partners of un-registered firms
- (c) Penalties on un-registered firms
- (d) Monetary fine on partners

**698. A firm may be registered :**

- (a) In the beginning when it is being formed
- (b) At a later date, after its formation
- (c) When the court orders the firm to be registered
- (d) When the Income-tax Department insists on its registration

**699. In the application for registration of a firm, which of the following is not required to be given:**

- (a) Firm name
- (b) The duration of the firm
- (c) Names of any other places where the firm carries on business
- (d) Capital contribution of partners

**700. Which of the following details is required to be given in an application for registration of a firm?**

- (a) Capital contribution of partners
- (b) PAN number of the partners
- (c) Place of business of the firm
- (d) Bank Accounts of the firm

**701. Application for Registration of firms should be signed by -**

- (a) All the partners
- (b) Agents of partners specially authorized in this behalf
- (c) All the active partners
- (d) Either (a) or (b)

**702. A firm name shall not contain any of the following words :**

- (a) Crown, Imperial
- (b) Emperor, Empress
- (c) King, Queen
- (d) All the above

**703. Registration of firm is effective from —**

- (a) The date when the Registrar files the statement and makes entries in the Register of firms
- (b) The date of presentation of the statement to the Registrar of firms
- (c) The date published in the Official Gazette
- (d) The date intimated to the partners

**704. After the registration of a firm, if a partner retires, such a change in the constitution of the firm requires:**

- (a) A notice to be sent to the Registrar
- (b) New registration
- (c) An affidavit of a managing partner about the change
- (d) No intimation

**705. Intimation about closing and opening of a branch, after registration, is required to be given by:**

- (a) All the partners jointly
- (b) Any partner or agent of the firm
- (c) Either (a) or (b)
- (d) Neither (a) or (b)

**706. If an unregistered firm intends to file a suit against a third party, it should get itself registered before filing the suit.**

- (a) False, as such disability can never be removed.
- (b) True, as after registration firm's disability to file such suit is removed.
- (c) It should take permission of the court before filing the suit.
- (d) Either (b) or (c)

**707. Which of the following are the disabilities of an unregistered firm?**

- (a) It cannot file a suit against third parties
- (b) It cannot claim a set-off exceeding ₹ 100
- (c) Its partners cannot file a suit against the firm
- (d) All the above

**708. In case of an unregistered firm the partners can file a suit for the:**

- (a) Dissolution of the firm
- (b) Accounts of dissolved firm
- (c) Realization of property of dissolved firm
- (d) All the above

**709. Any person who supplies false information to the Registrar of firms, shall be liable to punishment with imprisonment upto .....**

- (a) Three months
- (b) Six months
- (c) Nine months
- (d) Twelve months

**710. The Register of firms shall be open to inspection:**

- (a) By any person on payment of prescribed fees
- (b) By partners only
- (c) By Government Officials only
- (d) By any person free of cost

**711. Which of the following statements is incorrect?**

- (a) The registration of a firm is a condition precedent to the right to institute a suit
- (b) If a partner refuses to sign the application for registration, than registration can be done only by dropping the name of such a partner from the firm
- (c) A third party cannot file a suit against an un-registered firm
- (d) Application for registration of firm must be signed by all the partners

**712. As per section 18, a partner in a partnership firm functions:**

- (a) In a dual capacity of principal and agent
- (b) As a principal
- (c) As an agent
- (d) Neither as a principal nor as an agent

**713. If a partner commits fraud in the conduct of the business of the firm:**

- (a) He shall indemnify the firm for any loss caused to it by his fraud
- (b) He is not liable to the firm
- (c) He is liable to the partners
- (d) He is liable to the third parties

**714. Partners are bound to carry on the business of the firm —**

- (a) To the greatest common advantage
- (b) For the welfare to the society
- (c) For the advantage of the family members
- (d) For earning personal profits

**715. Which of the following statements is / are false :**

- (a) A partner has a right to share profits
- (b) Right to interest on capital
- (c) Right of access to books
- (d) Right to receive remuneration

**716. Which of the following statements is correct?**

- (a) A partner can be admitted in a firm by the consent of the majority of partners
- (b) A minor can be a partner in a firm
- (c) The liability of a retired partner to third parties continues even after his retirement
- (d) A partner of an unregistered firm cannot sue for the dissolution of a firm

**717. Which are the matters that require unanimous consent of all the partners:**

- (a) Admission of a partner
- (b) Transfer by a partner of his interest in the firm
- (c) Fundamental change in the nature of the business
- (d) All the above

**718. A partner has an implied authority to bind a firm by his act if he:**

- (a) Acquires immovable property on behalf of the firm

- (b) Opens a banking account on behalf of the firm in his own name
- (c) Withdraws a suit or proceeding filed on behalf of the firm
- (d) None of the above

**719. The liability of a minor partner is limited to the extent of:**

- (a) His share in the firm
- (b) His personal assets
- (c) His share in the firm as well as his personal assets
- (d) He is not liable

**720. A minor who is admitted to the benefit of partnership:**

- (a) Is entitled to such share of property and of the profits of the firm as may be agreed upon.
- (b) Has a right to have access to and inspect and copy any of the accounts of the firm.
- (c) He can sue for an account and profits when he severs his connection from the firm.
- (d) All the above

**721. Subject to contract between the partners, a partner does not have any one of the following rights:**

- (a) Right to receive remuneration
- (b) Right to share profits
- (c) Right to take part in the business
- (d) Right to claim interest on capital

**722. The authority of a partner to bind the firm for his acts as contained in section 19 of the Partnership Act is known as:**

- (a) Express authority
- (b) Legal authority
- (c) Implied authority
- (d) Managerial authority

**723. An act is to be said done in implied authority if:**

- (a) Done in the usual way to carry partnership business
- (b) Done in the conduct of the business of the kind carried on by the firm
- (c) Done in the firm name or in any other manner exercising or implying an intention to bind the firm
- (d) All the above

**724. An act done by a partner is binding on the firm if it is done in the name of:**

- (a) The partners own name
- (b) God
- (c) Firm
- (d) Law

**725. A partner can bind a firm by his act if he:**

- (a) Submits a dispute to arbitration
- (b) Withdraws suit or proceeding filed on behalf of the firm
- (c) Transfer immovable property belonging to the firm
- (d) Buys goods on behalf of the firm

**726. For ordinary business matters the decisions in the firm are taken on the basis of :**

- (a) Decision of majority of partners
- (b) Unanimous decision of partners
- (c) 2/3 majority
- (d) 1/3 majority

**727. Which of the following statements is incorrect?**

- (a) A partner is not an agent of other partners
- (b) On becoming major, the liability of a minor admitted to the benefits of partnership and now becoming a partner becomes unlimited from the date of majority
- (c) Partners can change the nature of the business of the firm by majority decision
- (d) All the above

**728. When a minor is admitted to the benefit of the partnership, which of the following statements is**

**false:**

- (a) Such minor's share is liable for the acts of the firm
- (b) The minor is also personally liable
- (c) The minor has a right to share in the property and profits of the firm
- (d) The minor cannot sue for the accounts if intends to continue in the firm

**729. For changing the nature of a business :**

- (a) Consent of all the partners is needed
- (b) Consent of majority of partners is needed
- (c) Consent of court is needed
- (d) Consent of Registrar of firm is needed in reference to conduct of the business

**730. The partners take decisions on the basis of majority in:**

- (a) All matters
- (b) Ordinary matters
- (c) Fundamental matters
- (d) No matters since unanimous consent is required
- (e)

**731. An unregistered partnership:**

- (a) Can sue on matters arising otherwise than out of contract
- (b) Can sue on matters arising out of contract
- (c) Cannot be sued
- (d) Can sue and be sued

**732. Every partner has a right to have access to and inspect and copy any of the books of account of the firm.**

- (a) During the continuation of the partnership
- (b) During the dissolution proceedings
- (c) After dissolution
- (d) All the above

**733. Where a partner is entitled to interest on the capital subscribed such interest shall be payable.**

- (a) Only out of profits
- (b) Out of capital in case of loss
- (c) Out of borrowings
- (d) Out of sale of partnership assets

**734. Subject to contract between the partners, and pursuant to section 13 of the Indian partnership, the following statement is correct:**

- (a) Partner is not entitled to interest on the capital subscribed by him
- (b) Partner is not entitled to interest on the advance made over and above the share of capital
- (c) Partner is not entitled to remuneration for taking part in the conduct of the business
- (d) All the above

**735. Any dispute arising as to ordinary matters connected with the business may be decided by-**

- (a) Unanimous consent of all the partners
- (b) Consent of majority partners
- (c) Decision of Court
- (d) Consent of the Working partners

**736. A change in nature of business can be effected only based on —**

- (a) Unanimous consent of all the partners
- (b) Consent of majority partners
- (c) Consent of the active partners
- (d) Decision of Court

**737. Property of the firm does not include:**

- (a) Trademark owned by the firm
- (b) Property acquired by or for the firm
- (c) Goodwill of the business
- (d) Property belonging to the partners



**738. Where a firm constituted for a fixed term continues to carry on business after the expiry of the said term, the mutual rights and duties of the partners will —**

- (a) Be decided by the Courts
- (b) Be decided upon by the working partners
- (c) Be similar as that of partnership at Will
- (d) Be extinguished

**739. If a partner advances money to the firm he will be entitled to interest on capital:**

- (a) Only in case of profits
- (b) Whether there are profits or not
- (c) At market rate, if the deed does not provide
- (d) Statement is wrong since he is not entitled to interest on advances

**740. Which of this falls outside the implied authority?**

- (a) Taking loan by pledging goods of the firm
- (b) Accepting Bills of Exchange on behalf of the firm
- (c) Submit disputes for arbitration
- (d) Settle accounts with customers

**741. Which of these acts are within the implied authority?**

- (a) Enter into partnership on behalf of the firm
- (b) Admit any liability in a suit against the firm
- (c) Withdraw a suit filed on behalf of the firm
- (d) To issue cheques on behalf of the firm

**742. The implied authority of any partner is subject to:**

- (a) Usage or customs of the trade
- (b) Specific authority of the partners
- (c) Both (a) and (b)
- (d) Either (a) or (b)

**743. Notice to a partner operates as notice to the firm. For such purpose, notice may be given to:**

- (a) All the partners jointly
- (b) A partner who habitually acts in the business of the firm
- (c) Any two partners
- (d) Only the dormant partners

**744. A minor may give public notice of his decision to continue or withdraw from the firm on his attaining majority within:**

- (a) Three months
- (b) Six months
- (c) Nine months
- (d) One year

**745. On attaining majority when the minor partner elects not to become a partner, his share is not liable for any acts of the firm done —**

- (a) After his admission to benefits of partnership
- (b) After the date of giving public notice
- (c) After the date of attaining majority
- (d) After the date of dissolution of firm

**746. A minor, before attaining the age of majority, has the right to:**

- (a) Receive agreed share of property and of profits of the firm
- (b) Access and to inspect the accounts of the firm
- (c) Sue the firm for his share of property or profits if he wants to sever his connection with the firm
- (d) All of the above

**747. When a minor on attaining the age of majority, has elected to become a partner, he becomes personally liable to third parties for all the acts of the firm from the date of his:**

- (a) Decision to become a partner
- (b) Attaining the age of majority
- (c) Admission to the benefits of the firm

(d) Attaining majority or decision to become a partner, whichever is earlier

**748. 'Act of a firm' in the Partnership Act means:**

- (a) Authorized acts
- (b) Any such act or omission which give rise to a right enforceable by or against the firm
- (c) Such acts which do not give rise to a right enforceable by or against the firm
- (d) Actual acts

**749. According to section 31 of the Act, subject to the contract between the partners and to the provisions of section 30, no person shall be introduced as a partner into a firm:**

- (a) Without the consent of majority of partners
- (b) Without the consent of all the existing partners
- (c) Without the consent of Registrar of Firms.
- (d) (a) and (c)

**750. If a partner is adjudicated insolvent which of the following are the consequences?**

- (a) Ceases to be a partner in the firm on the date the order of adjudication is made.
- (b) The estate of the insolvent partner is not liable for the act of the firm even after the date of order of adjudication
- (c) The firm stands dissolved on the date of adjudication unless there is a contract to the contrary
- (d) All the above

**751. A partner may not be expelled from the firm by any majority of partners unless:**

- (a) The terms of partnership agreement confer the power to expel a partner
- (b) The expulsion is made by a majority of the partners of the firm
- (c) The decision of expulsion is made by all the partners in good faith
- (d) All the above

**752. Unless there is a contract to the contrary, a firm is automatically dissolved on:**

- (a) The expiry of fixed term
- (b) Death of a partner
- (c) Insolvency of a partner
- (d) All of the above

**753. Under Section 36 of this Act an outgoing partner may carry on business competing with that of the firm and he may advertise such business, but, subject to contract to the contrary he may not**

- (a) Use the firm name
- (b) Represent himself as the partner of the firm
- (c) Solicit the customers who were dealing with the firm before he ceased to be a partner
- (d) All of the above

**754. Agreement in restraint of trade is void. But if an outgoing partner agrees with the firm that he will not carry on any competing business, such an agreement will be valid if:**

- (a) Such restraint is in respect of carrying of any business similar to that of the firm
- (b) Such agreement is made by the partners beforehand i.e. well in advance
- (c) Such agreement is made without any specific reference to time period.
- (d) Such agreement is made without reference to local limits

**755. A notice in writing by one partner must be given to all the partners of the firm in case of:**

- (a) Dissolution on the happening of contingencies
- (b) Dissolution of partnership at will
- (c) Dissolution by court
- (d) Compulsory dissolution

**756. The following is a ground for dissolution of partnership by the Court:**

- (a) Insanity of a partner
- (b) Incapacity of a partner to perform his duty as a partner
- (c) Wilful misconduct by a partner likely to affect prejudicially the carrying on of the business
- (d) All the above

**757. A firm is compulsorily dissolved**

- (a) By adjudication of any partner of the firm as insolvent
- (b) By the death of a partner

- (c) By adjudication of all the partners or of all the partners but one is insolvent
- (d) In any of the above circumstances

**758. In settling the account of the firm after dissolution, the assets of a firm are to be applied in paying**

- (a) Joint debts to third parties
- (b) Advances of each partner
- (c) To each partner what is due from the firm in respect of capital
- (d) All of the above

**759. The partners authority to act for the firm and to bind their co-partners continues even after the dissolution of the firm:**

- (a) To wind up the affairs of the firm
- (b) To complete the unfinished transactions
- (c) Both of above
- (d) None of the above

**760. A public notice under the Partnership Act is given according to section 72 in the following cases:**

- (a) Admission of new partner
- (b) Retirement or expulsion of a partner
- (c) Minor attaining majority
- (d) All the above

**761. The dissolution of a partnership firm does not take place**

- (a) By operation of law on the happening of certain events
- (b) In accordance with the partnership deed
- (c) By mutual agreement of all the partners
- (d) On the death of a partner, if the partnership deed provides that death of the partner shall not dissolve the firm

**762. Which of the following is not a mode of retirement of partner?**

- (a) Retirement with other partners' consent
- (b) Retirement in accordance with an express agreement
- (c) In case of a partnership at will by giving written notice of his intention to retire
- (d) Retirement on attaining the age of superannuation

**763. In case of partnership at will, a retiring partner has to give a written notice —**

- (a) To all the partners
- (b) To all the active partners
- (c) To the firm
- (d) To the Registrar of Firms

**764. Retiring partner continues to remain liable to third parties for acts of the firm :—**

- (a) Until public notice is given of the retirement.
- (b) From the date of retirement
- (c) Upto the close of the financial year in which he retires.
- (d) So long as the firm uses his name

**765. To avoid liability to third parties, public notice of retirement should be given. Such public notice must be given—**

- (a) By retired partner only
- (b) By any partner of the reconstituted firm
- (c) Either (a) or (b)
- (d) Neither (a) nor (b)

**766. A partner can be expelled from a firm:**

- (a) If power to expel is conferred by express agreement.
- (b) If the power is exercised in good faith.
- (c) By majority of partners after giving opportunity of explanation.
- (d) All of the above

**767. A retired partner may be liable:**

- (a) For debts incurred before retirement.

- (b) For debts incurred after retirement until public notice is given.
- (c) Either (a) or (b)
- (d) Both (a) and (b)

**768. Which of the following conditions is not necessary for expulsion of a partner?**

- (a) The power of expulsion must be given in the partnership deed.
- (b) Such power has been exercised by a majority of the partners.
- (c) Such power has been exercised in good faith for the interest of the firm and not used as vengeance against a partner
- (d) An FIR has been filed in the Police Station

**769. Unless there is a contract to the contrary, the effect insolvency of a partner is that:**

- (a) The firm is dissolved
- (b) The firm is not automatically dissolved
- (c) The firm is also deemed insolvent
- (d) The firm is reconstituted

**770. No public notice is required:**

- (a) On the death of a partner
- (b) On minor attaining majority
- (c) Retirement of partner
- (d) Dissolution of firm

**771. An outgoing partner can carry on a competing business and also advertise such business. For this purpose, in the absence of contract to the contrary —**

- (a) He can use the firm's name
- (b) He cannot use the firm's name
- (c) He cannot represent himself as carrying on the business of the firm.
- (d) Both (b) and (c)

**772. As per section 38 when constitution of the firm is changed, the continuing guarantee given to the firm or to a third party in respect to the transactions of the firm:**

- (a) Is not affected at all
- (b) Is revoked as to future transactions
- (c) Is revoked with retrospective effect
- (d) Ceases to be continuing guarantee

**773. Dissolution of partnership between all the partners of a firm is called:**

- (a) Dissolution of partnership
- (b) Dissolution of partners
- (c) Dissolution of the firm
- (d) Reconstitution of firm

**774. If all partners, or all but one partner, of the firm are declared insolvent:**

- (a) Firm is automatically dissolved
- (b) Firm becomes illegal association
- (c) Firm is also declared insolvent
- (d) Firm becomes illegal entity

**775. A firm is compulsorily dissolved on the:**

- (a) Death of a partner
- (b) Adjudication of a partner as an insolvent
- (c) Expiry of a fixed period for which the firm was constituted
- (d) Business of the firm becoming illegal due to happening of an event

**776. If any event happens which makes it unlawful for the business of the firm to be carried on or for the partners to carry it on it partnership, then**

- (a) Firm is compulsorily dissolved
- (b) Partnership is reconstituted
- (c) Firm becomes an illegal association
- (d) Firm is declared insolvent

**777. Unless agreed otherwise, a firm is dissolved by the death of a partner.**

- (a) True
- (b) False
- (c) Partly True
- (d) None of the above

**778. A partnership may be dissolved by any partner by giving a notice to other partners in case of:**

- (a) Partnership at will
- (b) Partnership for a fixed duration
- (c) Particular partnership
- (d) Limited liability partnership

**779. Which of the following do not constitute a ground- for dissolution by Court?**

- (a) Misconduct by partner
- (b) Transfer of interest by partner
- (c) Just and equitable grounds
- (d) Insolvency of a partner

**780. Upon dissolution of firm, losses, including deficiencies of capital, shall be paid first:**

- (a) Out of Profits
- (b) Out of Capital
- (c) By the partners in their profit sharing ratio
- (d) By the partners equally

**781. Upon dissolution of firm, losses, including deficiencies of Capital, shall be paid first out of Profits and then out of Capital and finally —**

- (a) Out of Profits
- (b) Out of Capital
- (c) By the partners individually in their profit sharing ratio
- (d) By the partners equally

**782. In settling the account after dissolution, the firm's assets shall be first applied in:**

- (a) Payment of Debts of the firm to third parties
- (b) Payment of partner's Loan
- (c) Payment of partner's Capital
- (d) Distribution to partners in their Profit Sharing Ratio

**783. Upon dissolution, the firm's assets after settlement of the debts of the firm to third parties and partners' Loans, shall then be applied in —**

- (a) Payment of debts of the firm
- (b) Advances of each partner
- (c) Payment of partner's capital
- (d) Distribution to partners in their Profit Sharing Ratio

**784. Where a partnership contract is rescinded on grounds of fraud or misrepresentation, the party entitled to rescind, is also entitled to rank, in respect of any payment made by him for the firm's debts as a:**

- (a) Creditor
- (b) Debtor
- (c) Lender
- (d) Guarantor

**785. After a firm is dissolved, every partner or his representative may restrain any other partner or his representative from carrying on similar business in the firm's name or by using firm's property for own benefit, until:**

- (a) The affairs of the firm are completely wound up
- (b) Dissolution of the firm
- (c) Date of public notice of dissolution
- (d) Date of signing of dissolution deed

**786. In settling the accounts of a firm after dissolution, the goodwill of the firm:**

- (a) Must be included in the assets

- (b) May be sold separately
- (c) May be sold along with the assets of the firm
- (d) All of the above

**787. When goodwill of the firm is sold upon dissolution, and a partner carries on a competing business, which of the following is permissible?**

- (a) Use of firm's name
- (b) Holding out as carrying on the business of the firm.
- (c) Soliciting the custom of the firm's customers/suppliers etc.
- (d) None of the above

**788. Public notice in case of a firm is not required in case of:**

- (a) Admission of a partner
- (b) Retirement of a partner
- (c) Expulsion of a partner
- (d) Dissolution of the firm

**789. Public notice is required to be given in the case**

- (a) admission of minor
- (b) exercising option to continue or not, on attainment of majority by the minor
- (c) death of a partner
- (d) retirement by sleeping partner

**790. When goodwill of the firm, the selling partners may agree with the buyer that they will not carry on similar business, within a specified period or within specified local limits. Such agreement in restraint of trade shall be :**

- (a) Valid, if the restrictions imposed are reasonable
- (b) Valid (whether restrictions are reasonable or not)
- (c) Void
- (d) Voidable

**791. Public Notice under the Partnership Act, is given in the following manner:**

- (a) Serving a copy of the Notice to the Registrar of firms
- (b) Publishing the Notice in the Official Gazette
- (c) Publishing the Notice in one vernacular newspaper circulating in the district where the firm's principal place of business is situated
- (d) All of the above

**792. Identify the incorrect statements:**

- (1) **When a firm is constituted for a fixed duration it cannot be dissolved before the expiry of that duration.**
- (2) **A partnership at will can be dissolved by the wish of even a single partner.**
- (3) **When a partner of a firm becomes lunatic, the firm dissolves automatically.**
- (4) **Even after dissolution, partners of a firm continue to be liable for acts of the firm until the affairs of the firm are finally wound up.**

Code:

- (a) 1,2 and 3
- (b) 1,3 and 4
- (c) 1,2 and 4
- (d) 2, 3 and 4

**793. A, B and C are partners of an unregistered firm. D owns this firm ₹ 1000 on a contract. The firm filed a suit against D the suit is dismissed for non-registration of the firm. The firm is registered later on. In this case which one of the following statements is MOST appropriate.**

- (a) The firm can successfully bring the suit against D
- (b) Registration must have been effected by the firm, before a suit is filed in the court
- (c) The firm cannot file suit against D
- (d) None of the above

**794. X, Y and Z are partners in a firm. X, without the authority of Y and Z buys certain shares in his name out of partnership money. Will 'shares' constitute partnership property?**

- (a) Yes

- (b) No
- (c) Can't say
- (d) Depends on the facts of the case

**795. A, B and C are partners. C is a sleeping partner who is not known to the creditors. C retires without giving public notice of his retirement. Is C liable for subsequent debts incurred by A and B.**

- (a) No, since he is a sleeping partner
- (b) Yes, since public notice of retirement must be given
- (c) Difficult to say
- (d) None of the above

**796. The Negotiable Instruments Act, 1881 applies to**

- (a) the whole of India
- (b) the whole of India except the State of Jammu and Kashmir
- (c) those states as notified by the Union Government from time to time in the Official Gazette
- (d) the whole of India except the State of Jammu and Kashmir and the North- Eastern States

**797. The Negotiable Instruments Act, 1881 came into force on**

- (a) 9<sup>th</sup> December, 1881
- (b) 19<sup>th</sup> December, 1881
- (c) 1<sup>st</sup> March, 1882
- (d) none of the above

**798. The undertaking contained in a promissory note, to pay a certain sum of money is**

- (a) Conditional
- (b) Unconditional
- (c) may be conditional or unconditional depending upon the circumstances
- (d) none of the above

**799. A bill of exchange contains a/an**

- (a) unconditional undertaking
- (b) unconditional order
- (c) conditional undertaking
- (d) conditional order

**800. Cheque is a**

- (a) promissory note
- (b) bill of exchange
- (c) both (a) and (b) above
- (d) None of the above

**801. The term 'Negotiable instrument' is defined in the Negotiable Instruments Act, 1881, under section**

- (a) 12
- (b) 13
- (c) 13A
- (d) 2(d)

**802. The term 'negotiation' in section 14 of the Negotiable Instruments Act, 1881 refers to**

- (a) the transfer of a bill of exchange, promissory note or cheque to any person, so as to constitute the person the holder thereof
- (b) the payment by a bank on a negotiable instrument after due verification of the instrument
- (c) the bargaining between the parties to a negotiable instrument
- (d) all of the above

**803. If an instrument may be construed either as a promissory note or bill of exchange, it is**

- (a) a valid instrument
- (b) an ambiguous instrument
- (c) a returnable instrument
- (d) none of the above

**804. Under section 16 of the Negotiable Instrument Act, 'endorsement in blank' of an instrument means**

- (a) where the endorser does not write anything on the instrument

- (b) where the endorser signs his name only on the instrument
- (c) where the endorser writes the name of the person who is directed to pay
- (d) none of the above

**805. 'At sight' and 'on presentation' under section 21 of the Negotiable Instrument Act, 1881, means**

- (a) on presentation
- (b) on demand
- (c) on coming into vision
- (d) none of the above

**806. If a minor draws, endorses, delivers or negotiates an instrument, such instrument binds**

- (a) all parties to the instrument including the minor
- (b) only the minor and not other parties to the instrument
- (c) all parties to the instrument except the minor
- (d) none of the above

**807. In a promissory note, the amount of money payable**

- (a) must be certain
- (b) may be certain or uncertain
- (c) is usually uncertain
- (d) none of the above

**808. Liability of drawer to compensate the holder in case of dishonour is primarily provided under**

- (a) Sec 30
- (b) Sec 29
- (c) Sec 31
- (d) Sec 32

**809. Issuance of notice by the holder in case of dishonour is primarily provided in .....**

- (a) Sec.93
- (b) Sec. 58
- (c) Sec. 138
- (d) Sec. 86

**810. A cheque is crossed ..... when it bears across its face an addition of the name of a banker, either with or without the words "not negotiable".**

- (a) Specially
- (b) General
- (c) Restrictive
- (d) None of the above

**811. A note under section 99 of the Negotiable Instruments Act should contain among other things**

- (a) place of the notary
- (b) charges of notary
- (c) both (a) and (b)
- (d) none of the above

**812. A notice of protest under section 102 of the Negotiable Instruments Act, 1881**

- (a) may be given by the notary public who makes the protest
- (b) must always be given by the notary public who makes the protest
- (c) must be given by the holder
- (d) none of the above

**813. Under section 118 of the Negotiable Instruments Act, 1881, it is presumed, until the contrary is proved, that every transfer of a negotiable instrument was made**

- (a) after its maturity
- (b) before its maturity
- (c) at its maturity
- (d) none of the above

**814. The provisions of section 87 of the Negotiable Instruments Act, 1881, are subject to the provisions of**



- (a) sections 20,48, 68 and 125 of the Act
- (b) sections 20, 49, 68 and 122 of the Act
- (c) sections 20, 49, 86 and 125 of the Act
- (d) sections 20, 49, 66 and 125 of the Act

**815. Under section 97, of the Negotiable Instruments Act when the party to whom notice of dishonour is dispatched is dead, but the party despatching the notice is ignorant of his death, the notice is**

- (a) Sufficient
- (b) not sufficient
- (c) null and void and has no effect
- (d) none of the above

**816. Who among the following cannot cross a cheque?**

- (a) Drawer
- (b) Holder
- (c) Banker
- (d) Foreigner

**817. As per section 147 of the Negotiable Instruments Act, 1881, every offence punishable under the Act are**

- (a) Compoundable
- (b) non-compoundable
- (c) cognizable
- (d) both (b) and (c) above

**818. Under the provisions of section 143 of the Negotiable Instruments Act, 1881, all offences under the Act are to be tried by**

- (a) any Judicial Magistrate
- (b) Judicial Magistrate of the First Class or by a Metropolitan Magistrate
- (c) only a District Judge
- (d) none of the above

**819. For what term of imprisonment an offender under section 138 of the Negotiable Instruments Act can be punished?**

- (a) for a term which may extend to two years
- (b) for a term which may extend to one year
- (c) for a term not exceeding three years
- (d) none of the above

**820. The presumption as to the date of a negotiable instrument under section 118 is that, every negotiable instrument bearing a date was made or drawn**

- (a) prior to that date
- (b) on such date
- (c) may be on or prior to that date
- (d) none of the above

**821. Chapter XVII contain sections**

- (a) 138 to 142
- (b) 136 to 142
- (c) 112 to 124
- (d) none of the above

**822. Who should make a complaint to a court for the purpose of taking cognizance of an offence under section 138?**

- (a) the payer or as the case may be, the holder in due course of the cheque
- (b) any person who is effected can make a complaint
- (c) the payee with the written permission of the drawee
- (d) none of the above

**823. A complaint against an offence under section 138 of the Negotiable Instrument Act, 1881**

- (a) must be in writing (section 142)
- (b) may be oral or in writing (section 142)
- (c) must be in writing containing a declaration by the drawee that he consents to such filing of

- the complaint (section 142)  
(d) none of the above

**824. Under section 143 of the Negotiable Instruments Act, an endeavour shall be made to conclude the trial within..... months from the date of filing of the complaint**

- (a) 9
- (b) 3
- (c) 6
- (d) 12

**825. The provision of section 147 of the Negotiable Instruments Act, 1881, that every offence punishable under this Act shall be compoundable was inserted by the**

- (a) amending Act of 1988
- (b) amending Act of 1980
- (c) amending Act of 2002
- (d) none of the above

**826. As per the provisions of section 93, when a cheque is dishonoured by non-acceptance or non-payment the holder**

- (a) may or may not give notice to the parties whom the holder seeks to make liable thereon
- (b) must give notice to the parties whom the holder seeks to make liable
- (c) must give notice to the parties whom the holder seeks to make liable, but after noting
- (d) must not give any notice to anyone

**827. Where a cheque is crossed generally the banker on whom it is drawn**

- (a) shall not pay it otherwise than to a banker
- (b) shall not pay it otherwise than to the holder
- (c) shall not pay it to a banker
- (d) none of the above

**828. The Scanlon plan of profit sharing gives utmost importance to .....**

- (a) Employee participation
- (b) Ratio
- (c) High
- (d) Profit

**829. Characteristic of a good compensation system is .....**

- (a) Lower the efficiency of worker, higher is compensation
- (b) Higher the efficiency of worker, lower is compensation
- (c) Lower the efficiency of worker, lower is compensation
- (d) Higher the efficiency of worker, higher is compensation

**830. As industrialization taking place, the family values have .....**

- (a) Changed
- (b) Remain unchanged
- (c) Increase
- (d) Decrease

**831. The unique code allotted to each & every employee in the organization is .....**

- (a) Employer No.
- (b) Factory No.
- (c) Employee No.
- (d) Individual No.

**832. .... are assured of a stable amount of money.**

- (a) Employers
- (b) Directors
- (c) Managers
- (d) Employees

**833. To enable employees to participate in profit sharing, employees should have .....**

- (a) Worked for certain no. of years in Company

- (b) Worked for one year in a company
- (c) Worked for six months in a company
- (d) Worked for eight months in a company

**834. Y2K era opened the flood gates for.....**

- (a) IT. Industries
- (b) Telecom
- (c) Factory
- (d) Shop

**835. Person working in MNC's occupying higher positions devote most of their time for their .....**

- (a) Family
- (b) Employment & job
- (c) Friends
- (d) Parents

**836. In case of fatal accident occurred inside the factory , a separate accident report shall be send to the district magistrate in Form No. ....**

- (a) 16
- (b) 12
- (c) 18
- (d) 14

**837. In case of fatal accident occurred inside the factory , a separate accident report shall be send to the district magistrate in Form No.18 within ..... hrs**

- (a) 8 hours
- (b) 10 hours
- (c) 12 hours
- (d) 14 hours

**838. An accident report shall be confirmed by the manager by sending a separate report in Form No. .... with details of number of person killed or injured to the inspector of factory.**

- (a) 12
- (b) 14
- (c) 16
- (d) 18

**839. An accident report shall be confirmed by the manager by sending a separate report in Form No.18 with details of number of person killed or injured to the inspector of factory within ..... hrs of the accident.**

- (a) 24 hr
- (b) 30hr
- (c) 18 hr
- (d) 12 hr

**840. Annual return under factory act shall be submitted on or before .....**

- (a) 31<sup>st</sup> January
- (b) 31<sup>st</sup> February
- (c) 31<sup>st</sup> March
- (d) 31<sup>st</sup> April

**841. Half Yearly return under factory act shall be submitted on or before .....**

- (a) 31<sup>st</sup> June
- (b) 31<sup>st</sup> July
- (c) 31<sup>st</sup> September
- (d) 31<sup>st</sup> October

**842. The primary purpose of employee safety programme is to preserve the employees' .....**

- (a) Mental health
- (b) Physical health
- (c) Emotional health
- (d) All of the above

- 843. The visual presentation of the ranking of work sites in a factory based on the number of accidents reported from each site is called .....**
- (a) Accidental Frequency Method
  - (b) Spot map method
  - (c) Incidence method
  - (d) Severity rate
- 844. Which of the following involves redesigning of equipment, machinery and material for the safe performance of the jobs?**
- (a) Safety engineering
  - (b) Safety campaigns
  - (c) Safety committee
  - (d) Safety training
- 845. The responsibility for maintenance of employee health and safety is with .....**
- (a) Employees
  - (b) Employers
  - (c) Government
  - (d) All of the above
- 846. Ensuring the safety, health and welfare of the employees is the primary purpose of the .....**
- (a) Factories act, 1948
  - (b) Payment of wages Act, 1936
  - (c) Equal Remuneration Act, 1976
  - (d) Industrial Disputes Act, 1947
- 847. Which of the following is not connected with employee safety and health?**
- (a) The Factories Act, 1948
  - (b) The mines Act, 1952
  - (c) The payment of Bonus Act, 1965
  - (d) The Dock Workers (Safety, Health And Welfare) Act, 1986
- 848. When the people involved in the process comprehend unlikable results from their interactions with the environment, it is specifically called .....**
- (a) Time series
  - (b) Anticipatory stress
  - (c) Positive stress
  - (d) Negative stress
- 849. Inspections by superiors and interviews for promotion usually come under**
- (a) Short-term response stress
  - (b) Long-term response stress
  - (c) Delayed response stress
  - (d) None of the above
- 850. Which of the following types of personality is comparatively less exposed to internal stress?**
- (a) Type A personality
  - (b) Type B personality
  - (c) Type C personality
  - (d) None of the above
- 851. When the employee perceives threat in the environment even if there is no such threat existing in the environment, it is normally described as .....**
- (a) Organizational stress
  - (b) Individual stress
  - (c) Extra-organizational stress
  - (d) None of the above
- 852. The exhaustion suffered by an individual due to continuous exposure to a stress-causing situation is normally known as.....**

- (a) Entrapment
- (b) Tiredness
- (c) Irritability
- (d) Burn-out

**853. .... is a scientific and systematic effort to modify the characteristics of an employee's job.**

- (a) Job redesign
- (b) Time-out
- (c) Mentoring
- (d) Employee empowerment

**854. First to lay down the guidelines for fixation of Minimum Wages was.....**

- (a) Indian Labour Conference
- (b) England Labour Conference
- (c) London Labour Conference
- (d) American labour Conference

**855. Define an employee under section 2 (13).....**

- (a) Person employed with salary exceeding ₹ 3500
- (b) Person employed with salary exceeding ₹ 4500
- (c) Person employed with salary exceeding ₹ 3000
- (d) Person employed with salary exceeding ₹ 4000

**856. Payment of wages act came into existence .....**

- (a) To ensure not regular and timely payment of wages to employed persons
- (b) To ensure regular and timely payment of bonus to employed persons
- (c) To ensure regular and timely payment of wages to unemployed persons
- (d) To ensure regular and timely payment of wages to employed persons

**857. The minimum wages to the obligations created by the convention no 26 of .....**

- (a) National labour organization
- (b) Labour organization
- (c) International labour organization
- (d) None of the above

**858. What do you mean by wages?**

- (a) Remuneration by way of salaries , Allowances , Expressed in terms of money
- (b) Remuneration by way of salaries , Allowances , Expressed in terms of monetary
- (c) Remuneration by way of salaries , Allowances , P.F Expressed in terms of money
- (d) Remuneration by way of salaries , gratuity Allowances , Expressed in terms of money

**859. To whom does the payment of wages act apply to?**

- (a) Persons employed in any service
- (b) Persons employed in any factory
- (c) Persons working in own home
- (d) Persons working for his own business

**860. What is the minimum salary under which the persons are covered in this act?**

- (a) More than ₹1600
- (b) Less than ₹1800
- (c) More than ₹1800
- (d) Less than ₹1600

**861. Define an employed person under section 2 of the act.**

- (a) Includes legal representative of a deceased employed person
- (b) Includes illegal representative of a deceased employed person
- (c) Includes representative of a deceased person
- (d) Includes legal representative of a deceased unemployed person

**862. Wages includes any remuneration payable under any award or settlement between .....**

- (a) Employer & employee

- (b) Employees
- (c) parties or order of court.
- (d) Employers

**863. When was the minimum wages act passed?**

- (a) 1938
- (b) 1948
- (c) 1958
- (d) 1968

**864. The term wages include .....**

- (a) Remuneration under any award , Settlement between the parties or order of court
- (b) Remuneration under any award , Settlement between the parties or order of court , idle time
- (c) Remuneration under any Settlement between the parties or order of court , Overtime
- (d) Remuneration under any award , Settlement between the parties or order of court , Overtime

**865. What is the main purpose of the payment of wages act 1936?**

- (a) Ensure payment of wages to the employed , Prevent authorised deductions , Prevent arbitrary fines
- (b) Ensure payment of wages to the employed , Prevent unauthorised deductions , Prevent arbitrary fines
- (c) Ensure payment of wages to the employed , Prevent unauthorised deductions , Prevent fines
- (d) Ensure payment of wages to the unemployed , Prevent unauthorised deductions , Prevent arbitrary fines

**866. .... means all remuneration expressed in terms of money.**

- (a) Labour
- (b) Wages
- (c) Overtime
- (d) Factory

**867. Which person is responsible for the payment of wages act?**

- (a) Director
- (b) Employer
- (c) Manager
- (d) Management

**868. .... are assured of a stable amount of money.**

- (a) Employees
- (b) Employers
- (c) Managers
- (d) Directors

**869. Minimum wages are not to be fixed in an industry which employs less then how many employees in the entire state?**

- (a) 800
- (b) 900
- (c) 1000
- (d) 1100

**870. Remuneration paid for the service of the labour in production is .....**

- (a) Wages
- (b) Cost
- (c) Production Cost
- (d) Profit

**871. In the 60's salaries of Bargainable workers increased due to .....**

- (a) Success of Union
- (b) Success of company
- (c) Success of Labour
- (d) Profit of Manager

**872. Employee's State Insurance Act, ..... is a pioneering measure in the field of social insurance of our country.**

- (a) 1948
- (b) 1950
- (c) 1952
- (d) 1954

**873. Minimum wages are not to be fixed in an industry which employs less than how many employees in the entire state?**

- (a) 500
- (b) 1000
- (c) 1500
- (d) 2000

**874. Wages have at least ..... connotations from stand points of employers and employees.**

- (a) 1
- (b) 2
- (c) 3
- (d) 4

**875. From economic and ..... point of view woman was subject to man.**

- (a) Economically
- (b) Logically
- (c) Social
- (d) Historical

**876. Employees Compensation System is vital for .....**

- (a) Motivation
- (b) Innovation
- (c) Moralization
- (d) Demoralization

**877. Wage Policy in general is .....**

- (a) To rise living standard of worker
- (b) To motivate for work
- (c) To rise living standard of employer
- (d) To do better work

**878. Employees in the railways are entitled of Payment of Wages Act, 1936 who are drawing wages and salaries below .....**

- (a) ₹2000/- a month
- (b) ₹1800/- a month
- (c) ₹1600/- a month
- (d) ₹1400/- a month

**879. As per the child labour (prohibition & regulation) Act 1986, "child" means a person who has not completed his**

- (a) 11 years
- (b) 12 years
- (c) 13 years
- (d) 14 years

**880. According to census 2001, how many children in the age group of 5-14 are working in India .....**

- (a) 1.20 crore
- (b) 1.26 crore
- (c) 1.30 crore
- (d) 1.32 crore

**881. Under E.S.I. employee's contribution .....**

- (a) 0.0150
- (b) 0.0165

- (c) 0.0175
- (d) 0.0195

**882. Employee pension scheme is 8.33% of .....**

- (a) Employer
- (b) Manager
- (c) Employer contribution
- (d) Manager contribution

**883. Employer & Employee contribution under E.P.F is .....**

- (a) 0.10
- (b) 0.12
- (c) 0.14
- (d) 0.14

**884. Under E.S.I, employer's contribution**

- (a) 0.425
- (b) 0.0450
- (c) 0.0475
- (d) 0.0485

**885. Child explosion under .....**

- (a) Article 29
- (b) Article 33
- (c) Article 38
- (d) Article 39

**886. Wage policy .....**

- (a) Increase social welfare
- (b) Decrease economic welfare
- (c) Decrease social welfare
- (d) Increase economic welfare

**887. The institutions of marriage and family are also to be found in every .....**

- (a) Town
- (b) Society
- (c) City
- (d) None of the above

**888. The rule nemo dat quod non habet means:**

- (a) No-one should interfere in another's business
- (b) No-one should be retained in a partnership against his will
- (c) No-one can give what he has not got**
- (d) None of these

**889. The first Factories Act was enacted in .....**

- (a) 1881
- (b) 1895
- (c) 1897
- (d) 1885

**890. Who is an adult as per Factories Act, 1948?**

- (a) Who has completed 18 years of age
- (b) Who is less than 18 years
- (c) Who is more than 14 years
- (d) Who is more than 15 years

**891. A person who has ultimate control over the affairs of the factory under Factories Act, 1948 is called as .....**

- (a) Occupier
- (b) Manager
- (c) Chairman



(d) Managing director

**892. The space for every worker employed in the Factory after the commencement of Factories Act, 1948 should be ..... Cubic Meters.**

- (a) 9.9
- (b) 10.2
- (c) 14.2
- (d) 13.2

**893. The provision for cooling water during hot weather should be made by the organization if it employees ..... or more employees.**

- (a) 200
- (b) 250
- (c) 300
- (d) 150

**894. Who is an Adolescent as per Factories Act, 1948?**

- (a) Who has completed 17 years of age
- (b) Who is less than 18 years
- (c) Who has completed 15 years but less than 18 years
- (d) None of these

**895. Which one of the following is not a welfare provision under Factories Act, 1948?**

- (a) Canteen
- (b) Crèches
- (c) First Aid
- (d) Drinking water

**896. First Aid boxes is to be provided for ..... of persons.**

- (a) 125
- (b) 135
- (c) 150
- (d) 160

**897. Safety Officers are to be appointed if Organization is engaging ..... or more employees.**

- (a) 1000
- (b) 2000
- (c) 500
- (d) 750

**898. Canteen is to be provided if engaging employees more than ..... persons.**

- (a) 250
- (b) 230
- (c) 300
- (d) 275

**899. Leave with wages is allowed for employees if they work for ..... days in a month.**

- (a) 15
- (b) 25
- (c) 20
- (d) 28

**900. Welfare Officers are to be appointed if organisation is engaging ..... or more employees.**

- (a) 500
- (b) 250
- (c) 600
- (d) 750

**901. The Ambulance Room is to be provided if engaging more than .....**

- (a) 400
- (b) 350
- (c) 500
- (d) 450

**902. Creche is to be provided if ..... or more lady employees are engaged.**

- (a) 25
- (b) 32
- (c) 30
- (d) 40

**903. An adult worker can work upto ..... hrs in a day as per factories Act, 1948**

- (a) 8
- (b) 9
- (c) 10
- (d) 12

**904. Obligations of workers under the Factories Act 1947 was discussed in section .....**

- (a) 78
- (b) 101
- (c) 111
- (d) 99

**905. The term Sabbatical is connected with**

- (a) Paid leave for study
- (b) Paternity leave
- (c) Maternity leave
- (d) Quarantine leave

**906. Section 49 of the Factories Act 1947 says about**

- (a) Welfare officer
- (b) Canteen
- (c) Rest Room
- (d) Creche

**907. Section 2(K) of the Factories Act 1947 says about**

- (a) Manufacturing Process
- (b) Factory
- (c) Worker
- (d) None of these

**908. Caveat Emptor rule means:**

- (a) Employer beware
- (b) Seller beware
- (c) Creditor beware
- (d) None of these**

**909. If the factory employees more than 1000 workers, they should appoint qualified ..... to carry out the prescribed duties**

- (a) Safety Officer
- (b) Welfare Officer
- (c) Security Officer
- (d) None of these

**910. For contravention of provisions of Factories Act or Rules, the occupier shall liable for punishment up to**

- (a) 2 years or fine upto ₹ 1,00,000 or both
- (b) 6 months or fine upto ₹ 10,000 or both
- (c) 3 years or fine ₹ 10,000 or both
- (d) None of these

**911. If any employee found violating the section 20 of Factories Act 1947 shall be fine up to**

- (a) ₹10
- (b) ₹ 5
- (c) ₹ 15
- (d) ₹ 20

**912. The license fee can be paid to get a license for a factory maximum up to**

- (a) One Year only
- (b) Two tears only
- (c) Three Years only
- (d) Five Years only

**913. The Section 20 of the factories act discusses about**

- (a) Drinking water
- (b) Lighting
- (c) Spittoons
- (d) Latrines and Urinals

**914. The employment of young person on dangerous machines shall be prohibited the section ..... of Factories Act1947.**

- (a) Section 21
- (b) Section 22
- (c) Section 23
- (d) Section 24

**915. The particulars of the accident should be entered in separate registers kept as Accident Book – From for ESI office.**

- (a) From No – 14
- (b) From No – 15
- (c) From No – 21
- (d) From No – 20

**916. Section ..... of the factories act describes about the rights of the workers**

- (a) 111
- (b) 111A
- (c) 110
- (d) 112

**917. The occupier shall be punishable with imprisonment extend to ..... months or fine .....or both for using false certificate of fitness.**

- (a) Two months, ₹1000
- (b) One year, ₹2000
- (c) Six months, ₹1000
- (d) One months, ₹5000

**918. The occupier fails to take remedial actions against apprehension of imminent danger to lives or health of the workers (41H), shall liable for punishment which may extended to an imprisonment upto 7 years, fine upto ₹2 lacs or both.**

- (a) 5 years, ₹25,000
- (b) 2 years, ₹1,00,000
- (c) 7 Years, ₹2,00,000
- (d) 10 years, ₹1,00,000

**919. In case of employee covered under the ESI, the accident report shall be sent in Form No. .... to Local office of the ESI to which the company attached**

- (a) Form No. 18
- (b) Form No. 18A
- (c) Form No. 25
- (d) Form No. 16

**920. Under the factories Act 1948, a register of Adult workers shall be maintained in Form No .....**

- (a) From No. 25
- (b) From No. 25A
- (c) From No. 12
- (d) From No. 14

**921. Under the factories Act 1948, a register of Muster roll shall be maintained in Form no. ....**

- (a) Form No. 25B
- (b) Form No. 15
- (c) Form No. 25A
- (d) Form No. 25

**922. Under the factories Act 1948, an inspection book shall be maintained for exemptions granted or availed in Form No.**

- (a) Form No. 29
- (b) Form No. 27
- (c) Form No. 28
- (d) Form No. 26

**923. Where .....or more workers are employed in a factory, then there shall be a Safety Committee in the factory.**

- (a) 100 or more workers
- (b) 150 more workers
- (c) 200 or more workers
- (d) 250 or more workers

**924. Section 41 G of the Factories Discuss about the Workers participation in Management.**

- (a) Section 40
- (b) Section 41 H
- (c) Section 41 G
- (d) Section 41 F

**925. Section 19 of Factories Act discusses about**

- (a) Drinking Water
- (b) Lighting
- (c) Latrines and Urinals
- (d) Artificial Humidification

**926. Section .....of the factories Act discusses about the nomination of the manager of a factory.**

- (a) Section 7 (e)
- (b) Section 7 (f)
- (c) Section 7 (g)
- (d) Section 7 (d)

**927. If an employee alleges that he was working for the employer and the employer denies it, who has to prove this fact?**

- (a) Employer
- (b) Employee
- (c) Authority
- (d) Employer and authority

**928. By an amendment Act of 1987 in Factories act 1947, who is to be appointed as an occupier?**

- (a) Manager
- (b) General Manager
- (c) Human resource Manager
- (d) Board of directors

**929. The term 'business ethics' came into common use in year .....**

- (a) 1950
- (b) 1960
- (c) 1970
- (d) 1980

**930. Ethics refers to a .....that guides an individual while dealing with others.**

- (a) Code
- (b) Conduct
- (c) Code of conduct
- (d) Rules of conduct

- 931. The society for Business Ethics was started in .....**
- (a) 1950
  - (b) 1960
  - (c) 1970
  - (d) 1980
- 932. European business schools adopted business ethics after.....commencing with the European Business Ethics Network (EBEN) in.....when the first single-authored books in the field appeared.**
- (a) 1987,1982
  - (b) 1980,1982
  - (c) 1982,1980
  - (d) 1977, 1984
- 933. Ethics is a set of.....of human conduct that govern the behaviour of individuals or organizations.**
- (a) Principles
  - (b) Standards
  - (c) Principles or standards
  - (d) None of the above
- 934. ....is a set of principles and expectations that are considered binding on any person who is member of a particular group.**
- (a) Code of conduct
  - (b) Code of ethics
  - (c) Code of practice
  - (d) Any of the above
- 935. ....made it important for businesses to have an ethics code, something in writing about what one ought to do, and what to strive for.**
- (a) The Ethics & Code Conduct Act, 2000
  - (b) The Sarbanes-Ethics of Code Conduct Act, 2001
  - (c) The Sarbanes-Oxley Act, 2002
  - (d) None of above
- 936. The Sarbanes-Oxley Act of 2002 made it important for businesses to have an - .....**
- (a) Ethics code
  - (b) Code of conduct
  - (c) Code of practice
  - (d) Business ethics
- 937. Business Ethics is a code of conduct which society should follow while conducting their social activities.**
- (a) True
  - (b) False
  - (c) Partly true
  - (d) None of above
- 938. Business ethics has a.....application.**
- (a) Natural
  - (b) Practical
  - (c) Universal
  - (d) None of the above
- 939. Which of the following Act made code of ethics mandatory for all organizations?**
- (a) The Companies Act, 1956
  - (b) The Sarbanes-Oxley Act, 2002
  - (c) The Partnership Act, 1932
  - (d) None of the above
- 940. Which of the following is a feature of business ethics?**
- (a) Business Ethics has a universal application
  - (b) It is a relative norm. It differs from business to business.
  - (c) Business Ethics is based on well accepted moral and social values

(d) All the above

**941. Which of the following is a feature of business ethics?**

- (a) Business ethics is based on well accepted moral and social values
- (b) Practice of business ethics gives protection to customers and other social groups related to a firm
- (c) Business ethics provide the legal, social, moral, economical and cultural limits within which business has to be conducted
- (d) All the above

**942. ....is about obeying and adhering to rule and authority.**

- (a) Ethics
- (b) Code
- (c) Conduct
- (d) Compliance

**943. The ethical issues in finance that companies and employees are confronted with include:**

- (a) Fraudulent asset valuations
- (b) Insider trading
- (c) Over billing of expenses
- (d) All the above

**944. The issues of ethics faced by HRM include: .....**

- (a) Facilitation payments
- (b) Securities fraud leading to manipulation of the financial markets
- (c) discrimination issues
- (d) All of above

**945. Reasons why business should act ethically .....**

- (a) To protect its own interest and of the business community as a whole.
- (b) To increase its profitability
- (c) To minimize loses
- (d) All of above

**946. Reasons why business should act ethically .....**

- (a) To keep its commitment to society to act ethically
- (b) To meet stakeholder expectations
- (c) To protect their employees and their reputation
- (d) All of above

**947. Which of the following reason is/are applicable for unethical business practices?**

- (a) Well organized consumer movement
- (b) Commitment to society
- (c) Greed for quick money
- (d) All of above

**948. Which of the following reason is / are applicable for unethical business practices?**

- (a) Workplace surveillance
- (b) Administrative corruption
- (c) Profit making by some of the big companies
- (d) All of above

**949. Which of the following reason is / are applicable for unethical business practices?**

- (a) Absence of well organized consumer movement
- (b) No government support
- (c) Greed for quick money
- (d) All of above

**950. Measures to improve ethical behaviour of business are framed at which level -**

- (a) Institutional level
- (b) Government level
- (c) Societal level

(d) All of the above

**951. Government has placed certain awards like Indira Gandhi Paryavaran Puruskar; the Indira Gandhi Priyadarshini Award for those individuals who carry on ..... in India.**

- (a) Profitable business
- (b) Ethical business
- (c) Good corporate governance
- (d) All of above

**952. Which of the following is not a reason for business to act ethically?**

- (a) To protect its own interest and of the business community as a whole
- (b) To meet stakeholder expectations
- (c) To build trust with key stakeholder groups
- (d) To not protect their employees and their reputation

**953. Ethical executives abide by ..... relating to their business activities.**

- (a) Laws
- (b) Rules
- (c) Laws, rules and regulations
- (d) None of above

**954. Which of the following is not a dimension of Corporate Social Responsibility?**

- (a) Economic
- (b) Legal
- (c) Voluntary
- (d) Emotional

**955. Fraudulent asset valuations, insider trading, securities fraud leading to manipulation of the financial markets and executive compensation etc are a part of scope in .....**

- (a) Production
- (b) Compliance
- (c) Finance
- (d) HR

**956. State as to why a business should behave ethically?**

- (a) To unprotect its own interest and of the business community as a whole
- (b) To keep its commitment to society to act ethically
- (c) To not meet stakeholder expectations
- (d) To build distrust with key stakeholder groups

**957. Ethics in compliance means.....**

- (a) It is about obeying and adhering to rules and authority
- (b) It deals with the moral principles behind the operation and regulation of marketing
- (c) It deals with the duties of a company to ensure that products and production processes do not cause harm
- (d) None of the above

**958. Ethics has become the buzzword in the corporate world because of**

- (a) Globalization
- (b) Communication explosion
- (c) Exploitation
- (d) Both (a) and (b)

**959. Companies which are responsive to employees' needs have.....**

- (a) Profits
- (b) Lower turnover in staff
- (c) Staff Satisfaction
- (d) Strikes

**960. A business should have which kind of an approach?**

- (a) Profit earning
- (b) Social responsibility
- (c) Both (a) and (b)

(d) Either (a) and (b)

**961. Which functional area in business ethics is about obeying and adhering to rules and authority?**

- (a) Ethics in compliance
- (b) Ethics in finance
- (c) Ethics in production
- (d) None of the above

**962. Which of the following is an unethical business practice?**

- (a) Collusion
- (b) False Communication
- (c) Insider Trading
- (d) All the above

**963. Which of the following is not a 'code of conduct'?**

- (a) Code of ethics
- (b) Code of practices
- (c) Code of behaviour
- (d) Code of management

**964. They are concerned about ethics, social responsibility and reputation of the company in which they invest -**

- (a) Employees
- (b) Employers
- (c) Investors
- (d) Student

**965. Administrative corruption includes "gifts" to the .....**

- (a) Factory inspector
- (b) Boiler inspector
- (c) Pollution control board inspectors
- (d) All of the above

**966. Compliance is about obeying and adhering to .....**

- (a) Rules an authority
- (b) Discipline
- (c) Laws
- (d) All of the above

**967. Business Ethics is a code of conduct which businessmen should follow while conducting their .....**

- (a) Normal activities
- (b) Special activities
- (c) Specific activities
- (d) None of the above

**968. Corporate entities are legally considered as persons in .....**

- (a) USA
- (b) Japan
- (c) China
- (d) None of the above

**969. The idea of business ethics caught the attention of academics, media and business firms by the end of the.....**

- (a) First world war
- (b) Second world war
- (c) Cold war
- (d) None of the above

**970. Business ethics is based on well accepted .....**

- (a) Moral and social values
- (b) Social values only



- (c) Moral values only
- (d) None of the above

**971. An expert who is confidentially available to solve the ethical dilemmas is known as.....**

- (a) Ethic coach
- (b) Ethics trainer
- (c) Ethics guide
- (d) None of the above

**972. A set of principles and expectations that are considered binding on any person who is member of a particular group is known as -**

- (a) Code of ethics
- (b) Values
- (c) Ethics
- (d) None of the above

**973. Business ethics has a ..... application**

- (a) Universal
- (b) Natural
- (c) Practical
- (d) None of the above

**974. The term 'business ethics' came into common use in year.....**

- (a) 1680
- (b) 1780
- (c) 1980
- (d) 1970

**975. The process where a person informs on another or makes public disclosure of corruption or wrongdoing-**

- (a) Endeavour
- (b) Whistle blowing
- (c) Dilemmas
- (d) Veteran

**976. The crucial step in understanding business ethics is**

- (a) Establishing codes of ethics
- (b) Learning to recognize ethical issues
- (c) Having efficient operations
- (d) Implementing a strategic plan

**977. Business ethics relates to**

- (a) Society's decisions
- (b) An individual's or work group's decisions
- (c) Customers decisions
- (d) Government decisions

**978. Which of the following statements about business ethics is true?**

- (a) It concerns the impact of a business activities on society
- (b) It refers to principles and standards that determine acceptable behavior in the world of business
- (c) It relates to an individual's values and moral standards and the resulting business decisions he or she makes
- (d) What is ethical is determined by the public, government regulators, interest groups, competitors and individual's personal moral values

**979. Behavior that does not confirm to generally social norms will be considered as:**

- (a) Arrogant Behavior
- (b) Arbitrary Behavior
- (c) Ethical Behavior
- (d) Unethical Behavior

**980. Fairness in employment practices centers on**

- (a) Hiring no family members or friends
- (b) Giving people equal rewards for accomplishing the same tasks
- (c) Obeying equal employment opportunity legislation
- (d) Avoiding conflicts of interests

**981. Ethical and unethical behaviors are determined by**

- (a) The individual
- (b) The culture
- (c) Both the individual and the culture
- (d) Neither the individual nor the culture

**982. Which of the following is NOT necessary to assess ethical behavior?**

- (a) Gather Facts
- (b) Make a judgment based on the Tightness or wrongness of the activity or policy
- (c) Consider appropriate moral values
- (d) Listen to what is the being said in the rumor

**983. Top managers demonstrate commitment to ethical business practices with**

- (a) The adoption of written codes of ethics
- (b) Employee empowerment
- (c) Decentralized decision making practices
- (d) Collusion with other companies

**984. EBEN is**

- (a) European Business Ethics network
- (b) European Business Ethics nation
- (c) European Business Ethics national
- (d) None of the above

**985. Feature that is NOT present in business ethics are**

- (a) It has universal application
- (b) It is Absolute in nature
- (c) It Depends from business to business
- (d) It Cannot be enforced by law

**986. If a company has ethics than it gets back from the employees**

- (a) Time
- (b) Skill & energy
- (c) Return out of money
- (d) Both (a) & (b)

**987. Pick the odd one. It is UNCOMMON for business to behave ethically because**

- (a) It has to meet stock holder expectations
- (b) It has to ignore their employees relations
- (c) To build trust with shareholders
- (d) All of the above

**988. It is not UNCOMMON for a business to behave ethically because**

- (a) It has to protect its own interest
- (b) It has to keep its commitment
- (c) It has to protect the interest of employees
- (d) All of the above

**989. For stopping the unethical practices at society level ..... practice should be followed**

- (a) Establishment of consumer associations
- (b) Consumer awareness programs to be stated
- (c) Publish journals on social issues
- (d) All of the above

**990. Corporate codes of ethics:**

- (a) Are always externally audited
- (b) Create guidelines for employees to work by
- (c) Are always compliance based

(d) Are always integrity based

**991. Effective ethics management within an organization can:**

- (a) Minimize errors, losses and fraud
- (b) Eliminate general e-mail abuses
- (c) Eliminate all errors, fraud and losses
- (d) None of the choices are correct

**992. In business ethics, the stakeholder theory of business ethics maintains that managers have an ethical responsibility to manage a firm for the benefit of all its stockholders, and for people who have a claim on a company.**

- (a) True
- (b) False
- (c) Partially true
- (d) Partially false

**993. .... are beliefs about what is right and wrong or good or bad.**

- (a) Mores
- (b) Motivators
- (c) Cultures
- (d) Ethics

**994. In setting ethical standards, perhaps the most effective step that a company can take is to**

- (a) Adopt a code of ethics
- (b) Demonstrate top management support of ethical standards
- (c) Engage employees in ethics training
- (d) Take an accommodative stance

**995. Ethics has become important because of**

- (a) Globalization
- (b) Communication explosion
- (c) Both a & b
- (d) None of the above

**996. The end of cold was brought a concept before media and business firms it was**

- (a) Business Communication
- (b) Business Ethics
- (c) Business Strategy
- (d) None of the above

**997. Business Ethics is .....in nature**

- (a) Absolute
- (b) Not absolute
- (c) Permanent
- (d) None of the above

**998. The issue of fraudulent asset valuation is included in**

- (a) Ethics in compliance
- (b) Ethic in finance
- (c) Ethics in marketing
- (d) Ethics in production

**999. Invariably business have unethical practice because**

- (a) Of government
- (b) Fear of tax
- (c) Greed
- (d) None of the above

**1000. If something is to be improved they have to be improved at**

- (a) Organizational level
- (b) Government level
- (c) Society level
- (d) All of the above

**Answer**  
**Fundamentals of Laws and Ethics**

1	d	2	b	3	d	4	c	5	b	6	a	7	b
8	a	9	c	10	b	11	a	12	a	13	a	14	c

**PAPER 3: FUNDAMENTALS OF LAWS AND ETHICS (SYLLABUS2012)\_MCQ**

15	b	16	d	17	a	18	a	19	d	20	a	21	c
22	c	23	c	24	b	25	a	26	a	27	b	28	c
29	a	30	d	31	a	32	a	33	d	34	c	35	d
36	b	37	a	38	a	39	a	40	c	41	b	42	d
43	a	44	a	45	d	46	a	47	b	48	a	49	a
50	b	51	a	52	a	53	a	54	a	55	a	56	d
57	b	58	a	59	b	60	d	61	a	62	a	63	b
64	b	65	a	66	a	67	a	68	b	69	a	70	b
71	b	72	a	73	a	74	a	75	b	76	d	77	c
78	b	79	c	80	c	81	a	82	b	83	a	84	c
85	b	86	c	87	a	88	b	89	d	90	d	91	b
92	c	93	a	94	a	95	d	96	a	97	c	98	b
99	c	100	b	101	a	102	b	103	b	104	a	105	b
106	b	107	b	108	b	109	c	110	b	111	a	112	b
113	b	114	a	115	c	116	c	117	b	118	d	119	c
120	c	121	c	122	d	123	d	124	b	125	c	126	b
127	a	128	b	129	c	130	d	131	c	132	d	133	c
134	a	135	d	136	a	137	d	138	d	139	d	140	d
141	c	142	d	143	d	144	a	145	d	146	a	147	d
148	b	149	d	150	c	151	d	152	a	153	d	154	a
155	d	156	d	157	b	158	c	159	c	160	a	161	c
162	a	163	d	164	a	165	c	166	a	167	a	168	b
169	c	170	c	171	a	172	d	173	b	174	b	175	c
176	c	177	d	178	b	179	d	180	d	181	c	182	c
183	b	184	d	185	d	186	c	187	b	188	a	189	a
190	c	191	c	192	b	193	c	194	b	195	b	196	b
197	d	198	b	199	c	200	a	201	a	202	a	203	a
204	c	205	d	206	d	207	c	208	b	209	b	210	d
211	d	212	a	213	b	214	a	215	a	216	c	217	d
218	b	219	a	220	c	221	c	222	b	223	d	224	b
225	c	226	d	227	b	228	d	229	a	230	a	231	c
232	c	233	c	234	d	235	b	236	b	237	a	238	b
239	a	240	a	241	b	242	d	243	b	244	c	245	b
246	c	247	a	248	c	249	c	250	b	251	b	252	a
253	a	254	b	255	c	256	c	257	a	258	a	259	c
260	a	261	d	262	b	263	c	264	b	265	d	266	d
267	d	268	d	269	b	270	d	271	a	272	d	273	c
274	a	275	d	276	a	277	d	278	b	279	c	280	a
281	a	282	c	283	b	284	b	285	c	286	b	287	c
288	c	289	a	290	b	291	c	292	d	293	c	294	a
295	a	296	b	297	c	298	a	299	c	300	c	301	c
302	d	303	c	304	c	305	d	306	d	307	d	308	d
309	c	310	b	311	d	312	c	313	d	314	d	315	d
316	d	317	c	318	a	319	b	320	d	321	b	322	c
323	d	324	a	325	a	326	c	327	b	328	a	329	d
330	a	331	a	332	a	333	a	334	a	335	b	336	c
337	b	338	a	339	c	340	b	341	c	342	d	343	a
344	d	345	d	346	a	347	d	348	b	349	b	350	c
351	c	352	c	353	c	354	d	355	a	356	d	357	d
358	b	359	d	360	c	361	b	362	a	363	c	364	d
365	b	366	a	367	c	368	d	369	c	370	b	371	c
372	d	373	d	374	d	375	d	376	b	377	b	378	a
379	d	380	a	381	a	382	a	383	a	384	d	385	a
386	a	387	a	388	b	389	c	390	c	391	a	392	b
393	d	394	d	395	a	396	c	397	d	398	b	399	b

---

**PAPER 3: FUNDAMENTALS OF LAWS AND ETHICS (SYLLABUS2012)\_MCQ**


---

400	c	401	b	402	a	403	a	404	b	405	b	406	b
407	a	408	b	409	a	410	b	411	c	412	d	413	d
414	b	415	d	416	b	417	d	418	d	419	c	420	c
421	a	422	c	423	c	424	d	425	b	426	b	427	c
428	c	429	c	430	a	431	c	432	c	433	d	434	b
435	a	436	b	437	b	438	b	439	c	440	d	441	c
442	b	443	a	444	c	445	a	446	d	447	a	448	a
449	d	450	a	451	d	452	c	453	b	454	b	455	a
456	a	457	a	458	d	459	d	460	c	461	a	462	a
463	b	464	a	465	a	466	b	467	a	468	a	469	a
470	b	471	a	472	a	473	b	474	b	475	b	476	a
477	c	478	a	479	a	480	b	481	a	482	d	483	a
484	b	485	c	486	a	487	a	488	b	489	b	490	b
491	b	492	b	493	d	494	c	495	a	496	b	497	a
498	a	499	b	500	d	501	a	502	c	503	c	504	b
505	c	506	a	507	d	508	a	509	c	510	d	511	d
512	a	513	d	514	d	515	a	516	a	517	a	518	a
519	d	520	a	521	a	522	b	523	d	524	d	525	a
526	d	527	c	528	d	529	a	530	b	531	b	532	a
533	d	534	c	535	d	536	c	537	a	538	a	539	a
540	c	541	d	542	b	543	b	544	d	545	b	546	a
547	b	548	b	549	d	550	c	551	c	552	c	553	c
554	a	555	c	556	b	557	c	558	a	559	d	560	b
561	c	562	a	563	a	564	a	565	d	566	c	567	a
568	a	569	c	570	c	571	d	572	d	573	a	574	b
575	c	576	b	577	a	578	a	579	b	580	d	581	b
582	c	583	c	584	a	585	a	586	a	587	a	588	a
589	b	590	d	591	d	592	a	593	a	594	b	595	a
596	b	597	a	598	d	599	a	600	b	601	a	602	b
603	a	604	c	605	a	606	a	607	a	608	a	609	c
610	c	611	a	612	d	613	d	614	d	615	b	616	b
617	c	618	d	619	b	620	d	621	d	622	c	623	c
624	c	625	b	626	a	627	a	628	a	629	c	630	c
631	b	632	a	633	c	634	b	635	d	636	d	637	d
638	b	639	b	640	a	641	c	642	b	643	a	644	a
645	c	646	a	647	b	648	d	649	a	650	b	651	b
652	c	653	d	654	a	655	d	656	c	657	d	658	b
659	d	660	a	661	a	662	b	663	a	664	c	665	d
666	d	667	d	668	d	669	a	670	a	671	d	672	c
673	d	674	b	675	a	676	c	677	d	678	d	679	d
680	c	681	b	682	a	683	b	684	d	685	c	686	d
687	b	688	b	689	a	690	b	691	c	692	d	693	a
694	a	695	b	696	d	697	a	698	b	699	d	700	c
701	d	702	d	703	a	704	a	705	b	706	b	707	d
708	d	709	a	710	a	711	c	712	a	713	a	714	a
715	d	716	c	717	d	718	d	719	a	720	d	721	a
722	c	723	d	724	c	725	d	726	a	727	d	728	b
729	a	730	b	731	a	732	d	733	a	734	c	735	b
736	a	737	d	738	c	739	b	740	c	741	d	742	c
743	b	744	b	745	b	746	d	747	c	748	b	749	b
750	d	751	d	752	d	753	d	754	a	755	b	756	d
757	c	758	d	759	c	760	d	761	d	762	d	763	a
764	a	765	c	766	d	767	d	768	d	769	a	770	a
771	d	772	a	773	c	774	a	775	d	776	a	777	a
778	a	779	b	780	a	781	c	782	a	783	c	784	a

---

**PAPER 3: FUNDAMENTALS OF LAWS AND ETHICS (SYLLABUS2012)\_MCQ**


---

785	a	786	d	787	d	788	a	789	b	790	a	791	d
792	b	793	a	794	a	795	a	796	a	797	c	798	b
799	b	800	b	801	b	802	a	803	b	804	b	805	b
806	c	807	a	808	a	809	a	810	a	811	b	812	a
813	b	814	c	815	a	816	d	817	a	818	b	819	a
820	b	821	a	822	a	823	a	824	c	825	c	826	b
827	a	828	a	829	d	830	a	831	c	832	d	833	a
834	a	835	b	836	c	837	c	838	d	839	a	840	a
841	b	842	d	843	b	844	a	845	d	846	a	847	b
848	b	849	a	850	b	851	b	852	d	853	a	854	a
855	a	856	d	857	c	858	a	859	b	860	d	861	a
862	c	863	b	864	d	865	b	866	b	867	c	868	a
869	c	870	a	871	a	872	a	873	b	874	b	875	c
876	a	877	a	878	c	879	d	880	b	881	c	882	a
883	b	884	c	885	d	886	d	887	b	888	c	889	a
890	a	891	a	892	c	893	b	894	c	895	d	896	c
897	a	898	a	899	c	900	a	901	c	902	c	903	b
904	c	905	a	906	a	907	a	908	d	909	a	910	a
911	b	912	d	913	c	914	c	915	b	916	b	917	a
918	b	919	d	920	c	921	d	922	c	923	d	924	c
925	c	926	b	927	b	928	d	929	c	930	c	931	d
932	a	933	c	934	a	935	c	936	a	937	a	938	c
939	b	940	d	941	d	942	d	943	d	944	c	945	a
946	d	947	c	948	b	949	d	950	d	951	b	952	d
953	c	954	d	955	c	956	b	957	a	958	d	959	b
960	c	961	a	962	d	963	d	964	c	965	d	966	a
967	a	968	a	969	c	970	a	971	a	972	a	973	a
974	d	975	b	976	b	977	b	978	b	979	d	980	d
981	c	982	d	983	a	984	a	985	b	986	d	987	b
988	d	989	d	990	b	991	a	992	b	993	d	994	b
995	c	996	b	997	b	998	b	999	a	1000	d		