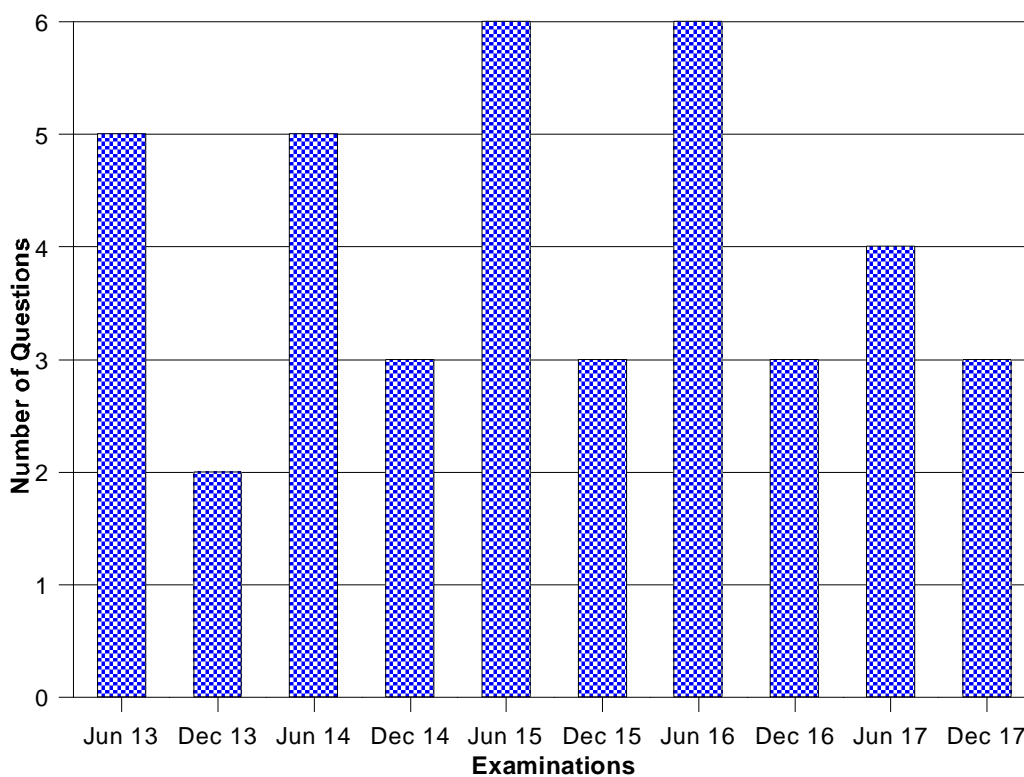


<b>CHAPTER</b>	<b>The Indian Contract Act, 1872</b>
<b>1</b>	
<b>Unit : 3</b>	<b>Other Essential Elements of a Valid Contract</b>



**2006 – November**

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

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

- [2] S, a minor by fraudulently representing himself to be a major, induced L to lend him ₹ 4 Lakhs. He refused to repay it and L sued him for the money. The contract is :
- Voidable at the option of the minor
  - Voidable at the option of L
  - Wholly valid, S is liable to repay the amount
  - Totally void and S is not liable to repay the amount due
- [3] Mistake as to foreign law is treated in the same manner as :
- Mistake of Indian law
  - Mistake of fact
  - Misrepresentation
  - Fraud
- [4] Atul contracted to make and deliver 350 pairs of shoes to Bansi by 1<sup>st</sup> January. A strike of Atul's employees prevented him from fulfilling his contract. In a suit by Bansi for breach of contract, Atul claimed that the contract was terminated by impossibility of performance. Was his defence good?
- No, Atul is liable to Bansi for damages
  - Yes, doctrine of supervening impossibility applies
  - Yes, doctrine of frustration will apply
  - Option (b) but not (c)
- 2007 - February**
- [5] An agreement is void if it is opposed to public policy. Which of the following does not cover this head?
- Trading with an enemy
  - Trafficking in public offices
  - Marriage brokerage contracts
  - Contracts to do impossible acts
- [6] "*Consensus-ad-idem*" means :
- General consensus
  - Reaching of contract
  - Reaching an agreement
  - Meeting of minds upon the same thing in same sense
- [7] Parents or guardians shall \_\_\_\_\_ for breach of contract by minor :
- be held liable
  - not be held liable
  - be imprisoned
  - not be questioned
- [8] The concept of "Duress" under English Contract Law is similar to :
- Undue Influence
  - Misrepresentation
  - Coercion
  - Fraud
- [9] X offers to sell a painting to Z which X knows is the copy of a well-known master piece. Z thinking that the painting is original decides to buy it at a very high price. Is this a valid contract?
- Yes, price is not the criteria for setting aside the contract
  - No, X is guilty of fraud.
  - Yes, Z has an erroneous belief as to the value of the painting
  - No X is guilty of misrepresentation

**2007 - May**

**[10]** X agrees to pay 'Y' ₹ 5,000 if Y delivers a judgement in his favour in a suit. 'Y' does so but X refuses to pay any money. In this context which one of these gives the correct legal position of the agreement?

- (a) The agreement is void being opposed to public policy
- (b) The agreement is valid and enforceable
- (c) The agreement is voidable at the option of 'Y'
- (d) The agreement is void because the object is unlawful, forbidden by law

**[11]** In case, though the husband was a divorcee, he did not disclose the fact of his previous marriage to his wife and in-laws. It was held that the consent was obtained by :

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

**[12]** A man, by the name of Sohan, called at a Jeweller shop and chose a costly ring. He tendered in payment a cheque, which he signed in the name of Garish, a person of credit. He took the ring and pledged it to Bola Nath, who had no notice of fraud. Can the Jeweller recover the ring from Bola Nath?

- (a) Yes the jeweller can recover from Bola Nath
- (b) The jeweller can recover either from Sohan or Bola Nath
- (c) No, the jeweller can not recover from Bola Nath
- (d) Can't say

**[13]** A mortgage was executed in favour of a minor. Can the minor get a Decree for the enforcement of the mortgage?

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

**[14]** Where an agreement consists of two parts one legal and other illegal, and the legal part is separable from the illegal one, such legal part is :

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

**2007 – August**

**[15]** An agreement entered into with free consent & lawful but inadequate consideration is :

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

[16] An illiterate old woman made a gift deed for practically her entire property to her nephew who managed her affairs. The gift can be set aside on the grounds of :

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

[17] A sum of money was agreed to be paid to the father in consideration of his giving his daughter in marriage. The agreement is void on ground's of being:

- (a) Restraint of marriage
- (b) Marriage brokerage contract
- (c) Restraint of personal liberty
- (d) Restraint of legal proceedings

[18] As a general rule minor's agreements are :

- (a) Void *ab initio*
- (b) Voidable
- (c) Valid
- (d) Unlawful

[19] Match list I with list II and select the correct answer from the code given below the lists :

LIST I	LIST II
A. Contract opposed to public policy	1. Contracts of insurance
B. Agreement where object is uncertain	2. Agreements hostile to friendly states
C. Intention to create legal obligation	3. Void and Unenforceable
D. Contracts of utmost good faith	4. Essential element for valid contract

**CODES:**

	A	B	C	D
(a)	1	4	3	2
(b)	4	2	1	3
(c)	2	1	3	4
(d)	2	3	4	1

**2007 - November**

[20] N threatens L's wife that their son M would be abducted if L did not lease out their land to him (N). This is a case of :

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

[21] A fraudulently informs B that his house is free from encumbrances. B thereupon, buys the house. The house is subject to a mortgage. What are the rights of B?

- (a) The contract is voidable at the option of B
- (b) He may avoid the contract and get back his money
- (c) Both (a) and (b)
- (d) Either (a) or (b)

[22] The leading case, on the point that minor's agreement is void ab initio, is :

- (a) Carlill v. Carbolic Smoke Ball Co.
- (b) Mohoribibi v. Dharmodas Ghose
- (c) Nash v. Inman
- (d) None of these

- [23] Which of the following agreements are expressly declared void by the Indian Contract Act?
- (a) Agreement made without consideration
  - (b) Agreement by a minor or a person of unsound mind
  - (c) Agreement in restraint of marriage
  - (d) Agreement of which the consideration and object are unlawful
- [24] Which contracts are not Wagering Contracts?
- (a) Bull & Bear Activities
  - (b) Lottery
  - (c) Speculative Activities
  - (d) All of these
- 2008 – February**
- [25] Which of the following statement is false?
- (a) A contract is not voidable if fraud or misrepresentation does not induce the other party to enter into a contract
  - (b) A party cannot complain of fraudulent silence or misrepresentation if he had the means of discovering the truth with ordinary means
  - (c) In case of fraud or misrepresentation, aggrieved party can either rescind or affirm the contract
  - (d) A party who affirms the contract, can also change his option afterwards if he so decides
- [26] An agreement in restraint of legal proceedings is void. It does not cover an agreement which :
- (a) Cuts short the period of limitation
  - (b) Restricts absolutely the parties from enforcing their legal rights
  - (c) Discharges a party from liability or extinguishes the rights of a party
  - (d) Provides for a reference to arbitration instead of court of law
- [27] A minor can do which of the following things?
- (a) Plead minority
  - (b) Can act as an agent
  - (c) Enter contract of apprenticeship
  - (d) All of the above
- [28] A contract made by mistake about the Indian Law, is :
- (a) Valid
  - (b) Void
  - (c) Voidable
  - (d) Illegal
- [29] The Contract of “*Uberrimae Fidei*” means a contract :
- (a) Of Good Faith
  - (b) Of Goodwill
  - (c) Guaranteed by a surety
  - (d) Of Utmost Good Faith

## 2008 – June

**[30]** Which of the following statement is not correct?

- (i) A threat to commit suicide does not amount to coercion
- (ii) Undue influence involves use of physical pressure
- (iii) Ignorance of law is no excuse
- (iv) Silence always amounts to fraud

- (a) (i) and (ii)
- (b) (i), (ii) and (iii)
- (c) (i), (ii) and (iv)
- (d) (ii), (iii) and (iv)

**[31]** Can a person who is usually of unsound mind, but occasionally of sound mind, make a contract?

- (a) Yes, but only when he is of sound mind
- (b) Yes, he can always make a contract
- (c) No, he cannot make a contract
- (d) Can't be determined

**[32]** Where the pre – assumption of “Undue Influence” does not exists :

- (a) Husband & Wife
- (b) Father & Son
- (c) Teacher & Student
- (d) Doctor & Patient

**[33]** A minor's estate is liable for the \_\_\_\_\_ supplied to him :

- (a) luxuries
- (b) necessities
- (c) necessaries
- (d) all the things

**[34]** In which of the following agreements, restraint of trade is valid?

- (a) Agreement with buyer of goodwill
- (b) Trade combinations, to the extent they do not create monopoly or opposed to public policy
- (c) Agreements under the Partnership Act, 1932
- (d) All of the above

**[35]** S instructs T to enter on his behalf into a wagering transaction. T loses in the transaction and pays from his pocket. He thereafter sues S for reimbursement. Can S raise plea of wager?

- (a) Yes, S can raise the plea of wager
- (b) No, as the agent's transaction, which is collateral to the main transaction, which is void is not affected
- (c) Yes, S can raise the plea of wager but only in the states of Maharashtra & Gujarat
- (d) Option (b) is correct whereas (c) is an exception

## 2008 – December

**[36]** In a contract both the parties believe that the subject matter of the contract is in existence but which is infact not in existence. Agreement shall be :

- (a) Valid
- (b) Void
- (c) Void due to bilateral mistake
- (d) Void due to unilateral mistake

- [37] The person providing necessities to minor is entitled to be reimbursed from minor's property. This is because of which type of contract.
- (a) Contingent contract
  - (b) Quasi contract
  - (c) Voidable contract
  - (d) None of these
- [38] A contract with resident of an enemy country is :
- (a) Illegal
  - (b) Void
  - (c) Valid
  - (d) Voidable
- [39] All agreements in restraint of trade are void does not apply to :
- (a) The admission of a new partner
  - (b) Sale of goodwill
  - (c) Both (a) and (b)
  - (d) None of these
- [40] Silence does not amount to fraud unless silence is :
- (a) Reasonable
  - (b) Unreasonable
  - (c) Equivalent to speech
  - (d) Break
- [41] What is meaning of the term Consensus - ad- idem?
- (a) Two persons agreement
  - (b) Two persons disagreement
  - (c) Two persons agreeing upon the same thing in the same sense
  - (d) None of these
- [42] Contract with a person of unsound mind is :
- (a) Valid
  - (b) Void
  - (c) Voidable
  - (d) None of these
- [43] When the consent is obtained by coercion, the contract is
- (a) Valid
  - (b) Void
  - (c) Voidable
  - (d) None of these
- [44] A tells B that he will file a case against him for theft. B tells to A that he will give the half of the market price of the theft. This offer is :
- (a) Void
  - (b) Voidable
  - (c) Valid
  - (d) None of these
- [45] If the illegal part of a contract is inseparable from legal part of the contract, the contract becomes :
- (a) Void
  - (b) Voidable
  - (c) Valid
  - (d) Unenforceable

**2009 – June**

- [46] If mistake is unilateral then the contract is :
- (a) Void
  - (b) Voidable
  - (c) Valid
  - (d) Illegal

- [47] Undue influence involves \_\_\_\_\_ pressure.
- physical
  - financial
  - moral
  - both (a) & (b)
- [48] Mistake as to a law not in force in India makes the contract\_\_\_\_\_.
- void
  - valid
  - voidable
  - illegal
- [49] Which of the following is not expressly declared void ?
- Wagering agreement
  - Agreement to pay time barred debt.
  - Agreement the meaning of which is uncertain
  - Consideration unlawful in part.
- [50] When parties enters into a contract under a mutual mistake of fact the contract is\_\_\_\_\_:
- valid
  - voidable
  - void
  - none of these
- [51] When one party is in a position to dominate the will of another and uses his superior position to obtain the consent of weaker party, the contract is said to be obtained by
- Fraud
  - Undue Influence
  - Coercion
  - Misrepresentation
- [52] In Coercion\_\_\_\_pressure is applied.
- physical
  - mental
  - both (a) & (b)
  - none of these
- [53] Marriage brokerage contracts are:
- Void
  - Valid
  - Legal
  - Illegal
- [54] When parties do not intend to perform the contract they made, then it amounts to:
- Fraud
  - Misrepresentation
  - Mistake
  - None of these
- [55] A contract caused by coercion is
- Void
  - Voidable
  - Valid
  - Illegal
- [56] A, B and C are partners in a firm. When C retires, A and B restrict C not to do the same business for 3 years. The contract is:
- Valid
  - Voidable
  - Void
  - None

**2009 – December**

**2010 – June**

**[57] Same as Q 28 [Feb. 08]**

**[58]** According to Indian Contract Act, 1872 every person is competent to contract provided he:



- (a) is of the age of majority  
 (b) is of sound mind  
 (c) is not disqualified from contracting by any law  
 (d) All the above
- [59]** X is a patient in a lunatic asylum. At intervals of time he is of sound mind. He can enter into contract:
- (a) At any time  
 (b) During intervals when he is of sound mind.  
 (c) During the course of his unsoundness of mind.  
 (d) When he is discharged but of unsound mind.
- [60]** Smith in order to enter into a contract with Johnson, obtains his (Johnson's) consent by way of fraud. The contract is:
- (a) Valid  
 (b) Voidable  
 (c) Void  
 (d) Illegal
- [61]** For the supply of necessaries to a minor, \_\_\_\_\_ may be responsible for price
- (a) minor personally  
 (b) minor's estate  
 (c) the Government  
 (d) minor's friend
- (a) void  
 (b) voidable  
 (c) illegal  
 (d) valid
- [63]** Every person having attained the age of majority i.e. \_\_\_\_\_ years is competent to contract.
- (a) 21 years.  
 (b) 16 years.  
 (c) 1 day after 18.  
 (d) 1 day before 18.
- [64]** Which of the following are in fiduciary relationship :-
- (a) Parents and child  
 (b) Client and solvit  
 (c) Doctor and patient  
 (d) All of the above.
- [65]** When one party is in a position to dominate the will of other and uses that position to obtain an unfair advantage of the other. The consent is said to be obtained by :
- (a) Coercion.  
 (b) Undue influence.  
 (c) Fraud  
 (d) Misrepresentation

<b>2011 – June</b>
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<b>2010 – December</b>
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- [62]** 'A' , a surgeon employs 'B' as an assistant for a term of three years and 'B' agrees not to practice as surgeon during those three years. The agreement is \_\_\_\_\_.
- (a) the act is fraudulent  
 (b) it amounts to sale  
 (c) it amounts to illegal act  
 (d) it does not amounts to fraud.
- [66]** A sells his dog through auction sale. B was the highest bidder. B purchases the dog, the dog was of unsound mind but A doesn't disclose this fact to B. The act of A is \_\_\_\_\_?

- [67] Which of the following can be a party to enter into a contract ?  
 (a) A convict under sentence  
 (b) Joint stock company  
 (c) Minor  
 (d) All of the above.
- [68] An unsound person 'B' is liable for necessities provided to him to the extent of :  
 (a) B's estate  
 (b) B personally  
 (c) B's relative  
 (d) B's son
- [69] Silence amounts to fraud when :  
 (a) Silence is not equivalent to speech  
 (b) Silence is equivalent to speech  
 (c) Where circumstances show  
 (d) None.
- [70] A agrees to pay ₹ 10 lacs to B if B procures an employment for A in Income Tax Department.  
 (a) Valid  
 (b) Void  
 (c) Voidable  
 (d) Illegal.
- [71] A person who had the means of discovering the truth with ordinary diligence can avoid the contract on the ground of misrepresentation. This statement is \_\_\_\_\_  
 (a) true  
 (b) false  
 (c) partly true  
 (d) can't say
- [72] Agreement the meaning of which is uncertain is \_\_\_\_\_  
 (a) valid  
 (b) void  
 (c) voidable  
 (d) illegal

## 2011 – December

- [73] In relation to a Contract the term "Consensus-ad-idem" under the Indian Contract act 1872 means.  
 (a) Reaching an agreement  
 (b) Reaching of Contract  
 (c) General Consensus.  
 (d) Meeting of minds upon the same thing in the same sense.
- [74] A master ask the servant to sell the goods to him at the price less than market price. The Contract can be avoided by the servant on the ground of \_\_\_\_\_.  
 (a) coercion  
 (b) fraud  
 (c) mistake  
 (d) undue influence
- [75] Mistake relating to the identity of subject matter by both the parties is called \_\_\_\_\_.  
 (a) Unilateral Mistake  
 (b) Bilateral Mistake  
 (c) Not a mistake  
 (d) Misrepresentation.
- [76] A boy of 21 years for whose property a guardian has been appointed enters into a contract with B in respect of that property. The contract is:  
 (a) Valid  
 (b) Voidable  
 (c) Void  
 (d) Invalid

- [77] A person who enters into a contract with a minor is \_\_\_\_\_.
- (a) responsible for Losses arising out of contract.
  - (b) not responsible for all the losses.
  - (c) responsible for giving compensation granted to a suit.
  - (d) cannot sue the minor.
- [78] A Contract which is created without the consent of the party is \_\_\_\_\_.
- (a) Void
  - (b) Voidable
  - (c) Valid
  - (d) All of the above.
- [79] An intentional misrepresentation amounts to \_\_\_\_\_.
- (a) fraud
  - (b) misrepresentation
  - (c) undue Influence
  - (d) all the above.
- [80] A Criminal Act is involved in \_\_\_\_\_.
- (a) coercion
  - (b) undue influence
  - (c) misrepresentation
  - (d) all of the above.
- [81] A student agrees under pressure to gift his entire property to his education guru. Such contract can be set aside on grounds of:
- (a) Undue Influence
  - (b) Fraud
  - (c) Mistake
  - (d) Misrepresentation
- [82] In order to sustain an action for deceit, there must be proof of:
- (a) Misrepresentation
  - (b) Undue Influence
  - (c) Fraud
  - (d) Coercion
- [83] Y sold some goods to X which Y believes to be of superior quality where as they are of inferior quality. It is a case of:
- (a) Misrepresentation
  - (b) Coercion
  - (c) Mistake
  - (d) Fraud
- [84] Which of the following is not true in case of a minor?
- (a) Rule of estoppel
  - (b) Ratification of terms on attaining majority
  - (c) Contract with a minor is valid
  - (d) All the above.
- [85] X threatens Y "I shall kill your son if you do not contract to sell your land." Y enters into the contract. It is a case of:
- (a) Coercion
  - (b) Undue Influence
  - (c) Misrepresentation
  - (d) Mistake
- [86] If both the parties are under a mistake as to matter of fact essential to a contract, then contract is \_\_\_\_\_ :
- (a) void - ab - initio
  - (b) voidable
  - (c) void
  - (d) none of the above

2012 – June

## 2012 – December

- [87] \_\_\_\_\_ involves physical threat
- undue Influence
  - fraud
  - coercion
  - none of the above.
- [88] Fraud may be committed by
- A party to the contract
  - An agent of the party to the contract
  - Any person in connivance with a party to contract
  - Any of the above.
- [89] An agreement restraining a person from exercising a trade is
- Valid
  - Void
  - Voidable
  - Illegal.
- [90] X promises to procure employment to Y and Y promises to pay ₹ 50,000 to X. The agreement is \_\_\_\_\_.
- valid
  - voidable
  - void
  - none of the above.

## 2013 – June

- [91] An intentional misrepresentation accounts to \_\_\_\_\_.
- Fraud
  - Misrepresentation
  - Undue influence
  - All of the above

- [92] Obtaining consent on the basis of a relationship subsisting between two persons whereby one is able to dominate the will of another is called:
- Duress
  - Undue influence
  - Coercion
  - Misrepresentation
- [93] Ram, a minor got injured his left leg in a football match. He engaged a doctor for the treatment of the leg. The doctor wants to claim for his services from the minor's property. The claim of the doctor is \_\_\_\_\_ under the Indian Contract Act, 1872.
- valid
  - invalid
  - void
  - illegal
- [94] Execution of a bond requiring employees leaving the organisation before the expiry of the term of service to pay compensation to the employer is considered:
- Unenforceable agreement
  - Voidable agreement
  - Valid agreement
  - Void agreement
- [95] Which of the following will stand under fiduciary relationship as per Indian Contract Act, 1872?
- Father and Son
  - Advocate and Client
  - Doctor and Patient
  - All of the above

**2013 – December**

- [96] G paid ₹10,000 to H to influence the head of a Government Organisation in order to provide him some employment. H failed to provide an employment to G in this case G can
- Recover the amount of ₹ 10,000.
  - Recover the amount ₹ 10,000 with interest.
  - Can file a suit for damages.
  - Cannot recover any amount
- [97] Where one party is in a position to dominate the will of another and uses his position to obtain the consent of the other party, the consent is said to have been obtained by
- Coercion
  - Undue influence
  - Duress
  - Misrepresentation

**2014 – June**

- [98] Which of the following is not applicable in relation to an agreement by a minor ?
- An agreement by or with a minor is voidable
  - An agreement with a minor is void-ab-initio
  - A minor cannot ratify an agreement on attaining majority
  - A minor can plead minority
- [99] Which of the following statements is not correct?
- In matters of fraud, intention to defraud is essential

- Where consent to a contract is obtained by misrepresentation, the contract is voidable
- A unilateral mistake renders the agreement void
- A mistake of foreign law is equal to mistake of fact

[100] Gopalaswami proposed to Raman to give 1 kg. of opium if he destroys the property of Swaminathan. In this case \_\_\_\_\_

- consideration is unlawful
- object of consideration is unlawful
- consideration is unlawful and object of consideration is partly unlawful
- consideration and its object both are unlawful

[101] A minor's liability for 'necessaries' supplied to him :

- Arises after he attains the age of majority
- Is against minor's property only
- Does not arise at all
- Arises only when minor promises to pay for them

[102] Where an agreement consists of two parts- one legal and other legal, and the legal part is separable from illegal one, such legal part is :

- Void
- Valid
- Voidable
- Illegal

## 2014 – December

- [103]** Which one of the following statement is not correct?
- The maxim “quid pro quo” means lawful consideration.
  - A person entering into a contract must be major and of sound mind.
  - The maxim “consensus-ad-idem” means that parties to contract must agree upon the same thing in the same sense.
  - Consent is not deemed to be free when vitiated by misrepresentation.
- [104]** Under section 17 of the Indian Contract Act, 1872 the term “fraud” does not include \_\_\_\_\_.
- concealment of a fact in good faith.
  - a promise made without intention of performing.
  - any act declared by law to be fraudulent.
  - any act done with intention to deceive.
- [105]** In the famous case of Mohari Bibi V. Dharmodas Ghosh, the Court ruled that:
- in India age of majority is 21 years.
  - a person of unsound mind is not competent to contract.
  - a guardian cannot make an enforceable contract of marriage for a minor.
  - minor’s contract is absolutely void.

## 2015 – June

- [106]** In order to get a job Q paid a sum of ₹ 2,00,000 to S to influence a Head of a Public Service Commission. S agrees to do the job but fails to get Q any job in the commission. Q sues S for recovery of the money paid. In this connection which one of the following is correct?
- Q can recover the amount with interest at the rate of 10%.
  - Q can recover the amount paid (₹2,00,000) and damages.
  - The contract is void as it is opposed to public policy and Q cannot recover the money.
  - The contract is valid and Q can recover the money paid to S.
- [107]** Under the provisions of the Indian Contract Act, 1872, an ‘Agreement in Restraint of Trade’ is valid if the agreement relates to:
- Mutual agreement
  - Sale of goodwill
  - Business contingency
  - All the above.
- [108]** M, a minor, who broke his left hand in a hockey match, goes to a doctor for the treatment, who treats him. The doctor claims for his fee from M. In this case:
- Minor’s parents will be liable
  - Minor will be personally liable
  - Minor’s personal property, if any, can be held liable
  - No body will be liable.

**[109]** Ashok agreed to pay ₹ 5,000 to a person to negotiate for his marriage. But he denied to pay the amount after the marriage. Advice the person whether he'll be able to get the amount according to agreement:

- (a) Yes, he can claim the amount according to the agreement.
- (b) No, because the agreement was due to expression of love and affection.
- (c) No, because it is opposed to public policy.
- (d) Yes, because it is valid contract

**[110]** Peter buys a mosquito killer machine assuming that is worth ₹ 50,000. The machine actually is worth only ₹ 5,000. The remedy available to Peter is:

- (a) The agreement can be avoided on the ground of mistake.
- (b) The agreement cannot be avoided on the ground of mistake
- (c) Peter can sue for return of ₹ 5,000
- (d) Peter can sue for recovery of ₹ 50,000.

**[111]** Z purchases from X a ring, believing it is made of diamond. The fact is that the ring is made of some ordinary stone, which has no value. X knows that Z is mistaken and takes no steps to make Z understand that the ring is not made of Diamond. Z now wants to cancel the contract on the basis of fraud. In the given situation Z:

- (a) Cannot cancel the contract
- (b) Can cancel the contract alleging undue influence
- (c) Can cancel the contract alleging fraud
- (d) Can claim damages.

#### 2015 – December

**[112]** In relation to a contract the term "Consensus – ad – idem" under the Indian Contract Act 1872 means.

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

**[113]** M, a person of 16 years of age enters into a contract with N, without disclosing his age, thereby inducing N to enter into a contract, the contract is

- (a) Void
- (b) Voidable
- (c) Illegal
- (d) Enforceable at Law.

**[114]** X promises Y that he (X) can get him (Y) successful in getting the post of an accountant in a Government office, if Y pays ₹ 2 lakhs. Y pays the amount but does not succeed in getting the job. Y sues X to get the money back. Decide whether

- (a) Since the contract is void on the ground 'opposed to public policy', Y cannot get the money back

- (b) Y can get the money back along with damages decided by a third party
- (c) The contract is valid and Y can get the money back
- (d) Y can recover the money with interest at the rate of 12%.

<b>2016 – June</b>
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- [115]** In case a minor inherits, certain shares\_\_\_\_\_.
- (a) He will be registered as a temporary member of company
  - (b) His lawful guardian will be entered as a member in the register
  - (c) He will be treated as a member of a company having no voting rights
  - (d) No share can be allotted to minor in any case.
- [116]** A buys a lottery ticket of ₹ 500 from B is an example of:
- (a) An agreement to do an impossible act
  - (b) Uncertain agreement
  - (c) Wagering agreement
  - (d) Contingent contract.
- [117]** In a wagering agreement the event is:
- (a) Collateral
  - (b) Certain
  - (c) Uncertain
  - (d) None of the above.

**[118]** In the case of \_\_\_\_ the agreement is void.

- (a) mistake
- (b) misrepresentation
- (c) coercion
- (d) fraud.

**[119]** In case there is misrepresentation, the remedy left with parties is to \_\_\_\_\_ the contract.

- (a) alter
- (b) rescind
- (c) accord
- (d) novate.

**[120]** An agreement in restraint of marriage is an example of\_\_\_\_\_.

- (a) coercion
- (b) undue influence
- (c) fraud
- (d) agreement opposed to public policy.

<b>2016 – December</b>
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**[121]** Ms. Ranjani a reputed film actress placed order on M/s Modern Jewellery to purchase a Diamond pendant, believing that it is made of original/natural diamond. Whereas it was made of American Diamond having less value. The jewellery owner is aware that Ms. Ranjani has not verified the quality of the diamonds and does not inform her of the quality. Having discovered the poor quality of the stones, Ms. Ranjani is contemplating to Cancel the contract on the basis of fraud.



Which of the following statements is correct?

- (a) Ms. Ranjani can cancel the contract alleging fraud?
- (b) Ms. Ranjani cannot cancel the contract.
- (c) Ms. Ranjani can cancel the contract alleging undue influence.
- (d) Ms. Ranjani can claim damages.

[122] Where a person asserts something which is not true as true because he believes it to be true, his assertion amounts to:

- (a) Coercion
- (b) Undue Influence
- (c) Fraud
- (d) Misrepresentation.

[123] \_\_\_\_\_ does not affect the free consent of the parties.

- (a) fraud
- (b) coercion
- (c) incompetency of the parties
- (d) undue Influence

#### 2017 – June

[124] Rescission of a contract involves \_\_\_\_\_.

- (a) cancellation of old one
- (b) minor alteration
- (c) modification of the terms
- (d) all the three

[125] A agrees to pay B ` 10,000 if it rains today, otherwise B shall pay ` 10,000. This is a \_\_\_\_\_.

- (a) gambling

- (b) wagering agreement
- (c) speculation
- (d) game of chance

[126] The term 'consensus ad-idem' means \_\_\_\_\_.

- (a) general consensus
- (b) reaching an agreement
- (c) meeting of minds upon the same thing in the same sense
- (d) all of the above

[127] A lunatic person is:

- (a) Insolvent person
- (b) Person of unsound mind
- (c) Person disqualified by law
- (d) Alien enemy

#### 2017 – December

[128] Threats to commit suicide amounts to \_\_\_\_\_.

- (a) undue – influence
- (b) coercion
- (c) fraud
- (d) misrepresentation

[129] Where both the parties to an agreement are under mistake as to a matter of fact, which is essential to the agreement, the agreement is:

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

[130] More silence as to fact likely to affect the derive of other party amounts to \_\_\_\_\_.

- (a) coercion
- (b) fraud
- (c) mistake

(d) misrepresentation

**Answer**

- |         |          |         |         |
|---------|----------|---------|---------|
| 1. (b)  | 2. (d)   | 3. (b)  | 4. (a)  |
| 5. (d)  | 6. (d)   | 7. (b)  | 8. (c)  |
| 9. (c)  | 10. (a)  | 11. (c) | 12. (c) |
| 13. (a) | 14. (b)  | 15. (d) | 16. (d) |
| 17. (b) | 18. (a)  | 19. (d) | 20. (b) |
| 21. (c) | 22. (b)  | 23. (c) | 24. (c) |
| 25. (d) | 26. (d)  | 27. (d) | 28. (a) |
| 29. (d) | 30. (c)  | 31. (a) | 32. (a) |
| 33. (c) | 34. (d)  | 35. (d) | 36. (c) |
| 37. (b) | 38. (b)  | 39. (b) | 40. (c) |
| 41. (c) | 42. (b)  | 43. (c) | 44. (a) |
| 45. (a) | 46. (c)  | 47. (c) | 48. (a) |
| 49. (b) | 50. (c)  | 51. (b) | 52. (a) |
| 53. (a) | 54. (a)  | 55. (b) | 56. (a) |
| 57. (a) | 58. (d)  | 59. (b) | 60. (b) |
| 61. (b) | 62. (d)  | 63. (c) | 64. (d) |
| 65. (b) | 66. (a)  | 67. (b) | 68. (a) |
| 69. (b) | 70. (b)  | 71. (b) | 72. (b) |
| 73. (d) | 74. (d)  | 75. (b) | 76. (a) |
| 77. (d) | 78. (a)  | 79. (a) | 80. (a) |
| 81. (a) | 82. (c)  | 83. (a) | 84. (d) |
| 85. (a) | 86. (a)  | 87. (c) | 88. (d) |
| 89. (b) | 90. (c)  | 91. (a) | 92. (b) |
| 93. (a) | 94. (c)  | 95. (d) | 96. (d) |
| 97. (b) | 98. (a)  | 99. (c) | 100.(d) |
| 101.(b) | 102.(b)  | 103.(a) | 104.(a) |
| 105.(d) | 106.(c)  | 107.(b) | 108.(c) |
| 109.(c) | 110.(b)  | 111.(a) | 112.(d) |
| 113.(a) | 114.(a)  | 115.(c) | 116.(c) |
| 117.(c) | 118.(a)  | 119.(b) | 120.(d) |
| 121.(b) | 122.(d)  | 123.(c) | 124.(a) |
| 125.(b) | 126.(c)  | 127.(b) | 128.(b) |
| 129.(b) | 130. (b) |         |         |

