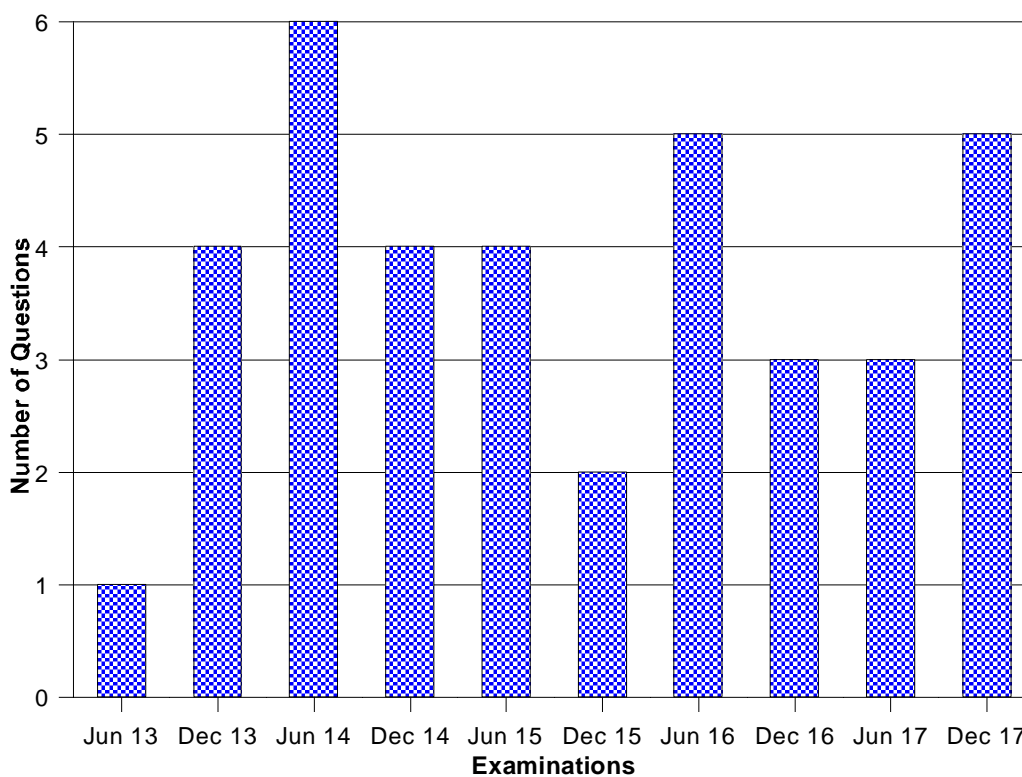


CHAPTER	The Indian Contract Act, 1872
1	
Unit : 4	Performance of Contract



2006 – November

[1] A lets out a theatre to B for a series of drama for certain days. The theatre was completely destroyed by fire before the scheduled dates. In the case:

- (a) The contract is discharged by impossibility of performance
- (b) The contract is void ab initio
- (c) The contract is voidable at the option of B
- (d) A cannot be discharged of the contract

- [2]** A, B and C jointly promise to pay D a sum of ₹ 90,000. C is compelled to pay the whole of the amount to D. Can he recover anything from A and B when both A and B were solvent?
- Yes, C can recover ₹ 60,000 from A
 - Yes, C can recover ₹ 90,000 from A
 - Yes, C can recover ₹ 30,000 each from A and B
 - No, C can't recover anything from A and B
- [3]** A servant is employed for one year on a monthly salary of ₹ 1800, the whole salary to be paid at the end of the year. The servant wrongfully leaves the service after six months. Is he entitled to any salary?
- He is entitled to the whole salary
 - He is entitled to the salary of six months.
 - He is entitled to the salary which his master thinks suitable
 - He is not entitled to any salary
- [4]** R contracts to sell his car to S for ₹ 7 Lacs and S agrees to pay on delivery. Once the car is delivered to S and S pays ₹7 Lacs, Contract comes to an end. This is called :
- Breach of a contract
 - Discharge of a contract
 - Rescission of a contract
 - Waiver of a contract

2007 - February

- [5]** If a new contract is substituted in place of an existing contract is called:
- Waiver
 - Rescission
 - Novation
 - Alteration
- [6]** In case of default by joint promisors, the promisee :
- Cannot sue any single promisee
 - Can sue any one of them to the extent of his share in the joint promise
 - Can sue any one of them for the entire promise
 - Both (a) and (b)
- [7]** A contract of personal volition is not performed by :
- The agent
 - The promisees
 - The legal representative
 - All of these

2007 - May

- [8]** A enters into a contract with B for dancing at his theatre for three nights for a fee of ₹ 2,00,000. A dances for two nights and is fallen ill. What remedy is available to B?
- B can repudiate the contract
 - B can claim damages from A
 - B is not bound to pay fees
 - B cannot claim damages from A

- [9] The original contract need not be performed if there is:
- Novation of contract
 - Recession of contract
 - Alteration of contract
 - In all the above cases
- [10] Reasonable time for performance of a contract is a :
- Question of Fact
 - Question of Law
 - Mixed Question of Fact & Law
 - Question of Prudence
- (b) Y can opt to rescind the contract
- (a) or (b)
 - (a) and (b)
- [14] Rescission of a voidable contract is communicated and revoked in the same manner as the communication of revocation of :
- Proposal
 - Acceptance
 - Breach
 - Impossibility

2007 – August

- [11] X sold rice to Y by sample and Y thinking that they were old rice purchased them, but the rice was new. In this case :
- Y is bound by the contract
 - Y is not bound by the contract
 - Y can recover damages from X
 - Y can sue for replacement of new rice with old rice
- [12] The right of joint promisees to demand performance is :
- Joint
 - Several
 - Joint or several
 - Joint and several
- [13] X and Y contract that Y shall build a house for X for ₹ 20 Lacs. Y is ready and willing to construct the house but X prevents him from doing so. In such case :
- Y is entitled to recover compensation for any loss suffered by him

2007 - November

- [15] Suppose the time fixed for performance of the contract has expired but the time is not essential. What is the remedy of the promisee in this case :
- Can rescind the contract
 - To claim compensation
 - No remedy available
 - Can't be determined
- [16] Discharge by mutual agreement may involve _____ :
- Novation
 - Rescission
 - Alteration
 - All of these
- [17] A mother owes ₹ 10,000 to her daughter. But this debt has become barred by the Limitation Act. The mother signs a written promise to pay ₹ 3,000 on account of the debt. In such a case which one is correct :

- (a) There is no contract as the debt is already barred by Limitation and so it cannot be revived by as subsequent promise
- (b) There is no contract because the mother has promised to give only a part of time debt
- (c) This is enforceable against the mother because such a promise is valid and binding under the Indian Contract Act
- (d) None

[18] If time is the essence of a contract and the promisor fails to perform the contract by the specified time, the contract :

- (a) Remains Valid
- (b) Becomes Void
- (c) Becomes Unenforceable
- (d) Becomes Voidable at the instance of the promise

2008 – February

[19] A contract can be discharged by :

- (a) Mutual agreement and performance
- (b) Lapse of time and operation of law
- (c) Breach of contract
- (d) All of these

[20] Whether time is the essence of the contract depends on the :

- (a) Provisions of law
- (b) Intention of the parties
- (c) Facts and circumstances of each separate case
- (d) All of the above

[21] In case of death of a joint promisor(s), the promisee can :

- (a) Not enforce the contract against the survivor(s) of the said joint promisor(s)
- (b) Enforce the contract against the survivor(s) of the said joint promisor(s)
- (c) Not enforce the contract at all
- (d) Both (a) & (b)

[22] X owes Y two sums, one for ₹ 2,000 which is barred by Limitation and another for ₹ 2,500 which is not barred. X pays Y ₹ 1,000 on account generally. Later Y sues for ₹ 2,500. X pleads :

- (i) As to ₹ 2,000 that it was time barred, and
- (ii) As to ₹ 2,500 a part payment of ₹ 1,000
- (a) Y can appropriate the payment of ₹ 1,000 towards the first debt & X is bound to pay ₹ 2,500 which is not yet barred by limitation
- (b) Both the contentions of X are wrong
- (c) Either (a) or (b)
- (d) Both (a) and (b)

2008 – June

[23] Where the performance of a promise by one party depends on the prior performance of promise by the other party such reciprocal promises fall under the category.

- (a) Mutual and concurrent
- (b) Conditional and dependant
- (c) Mutual and Independent
- (d) Both (a) and (b)

[24] When an inferior right accruing to a party in a contract merges into a superior right accruing to the same party, then :

- (a) The contract conferring the superior right is discharged
- (b) The contract conferring the inferior right is discharged
- (c) Both contracts are not discharged
- (d) Both contracts are discharged

[25] In contracts of sale of movable properties, time is :

- (a) Presumed to be the essence of the contract
- (b) No presumption as to time can be raised
- (c) Not presumed to be the essence of the contract
- (d) All of the above

[26] W, a singer enters into a contract with M, the manager of a theatre, to sing at his theatre for two nights in every week during the next two months and M engages to pay her ₹ 5 Lacs for each night's performance. On the 7th night, W willfully absents herself from the theatre :

- (a) M cannot put an end to the contract
- (b) The contract is unlawful
- (c) M is at liberty to put an end to the contract
- (d) The contract is left at the liberty of W

2008 – December

[27] Which of the following contract is not discharged by frustration ?

- (a) Government Intervention
- (b) Destruction of goods
- (c) Change of law
- (d) Commercial Impossibility

2009 – June

[28] Same as Q 5 [Feb. 07]

2009 – December

[29] Novation requires:

- (a) Mutual consent
- (b) Mutual agreement
- (c) Free consent
- (d) None

[30] Commercial Impossibility does not make the contract _____ .

- (a) valid
- (b) void
- (c) illegal
- (d) voidable

2010 – June

[31] Same as Q 9 [May 07]

2010 – December

[32] Same as Q 23 [June 08]

2011 – June

- [33] Acceptance of consideration lesser than that agreed is known as _____.
- Recission
 - Novation
 - Remission
 - Alteration
- [34] In a contract where personal consideration is not the foundation of the contract, the contract may be performed by :
- Promisor himself
 - Promisor's agent
 - Promisor's legal representative
 - Any of the above.
- [35] Impossibility existing subsequent to the formation of contract is called _____.
- Supervening impossibility
 - Subsequent impossibility
 - Both of above
 - None of these.
- [36] Reciprocal promises are _____.
- Promises made by both parties to the contract
 - Promise made by promisor only
 - Promise made by promisee only
 - None of these.
- [37] Contract can be discharged by :
- Novation
 - Performance
 - Alteration
 - All of these.

2011 – December

- [38] A promises to paint a picture for B by a certain date for a certain amount. A dies before painting the picture. Which one of the following is correct in such a situation?
- The agreement does not lapse for A
 - The agreement becomes voidable at the option of A's legal representatives.
 - The agreement becomes unlawful.
 - The agreement lapses for both parties.
- [39] _____ of a Contract taken place when all or some of the terms of the contract are cancelled.
- Novation
 - Alteration
 - Merger
 - Recession
- [40] Contractual impossibilities are known as?
- Initial
 - Absolute
 - Supervening
 - None.

2012 – June

- [41] X paid to Y ₹ 7,00,000 for purchase of a flat. Y promised to give possession of the flat after one year. Y's promise to give the possession is:
- Executed
 - Executory
 - Past
 - Future

2012 – December

[42] The process by which one person succeeds rights interest and benefits and obligations of another person is termed as:-

- (a) Assignment
- (b) Succession
- (c) Remission
- (d) Recission.

[43] Brown promises to sell his house to Crown for ₹ 20,00,000. Later on both of them agreed not to execute the deal; this is known as :-

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

[44] A agrees to pay ₹ 10,000 to B after 2 years. During this period B dies. After 2 years, B's son C claims the amount from A. C's claim is _____.

- (a) Invalid
- (b) Enforceable
- (c) Not enforceable
- (d) Unlawful.

[45] Supervening impossibility is related to :-

- (a) Frustration
- (b) Quid Pro Quo
- (c) Privity of contract
- (d) None of the above.

2013 – June

[46] _____ of a contract takes place when all or some of the terms of the contract are cancelled.

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

2013 – December

[47] X contracts with Y to sell his imported car for ₹50,000. Later on both the parties decide not to honour the deal. This is a case of discharge of contract by

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

[48] A holds a house under a lease agreement. Subsequently he buys the house and becomes the owner of the house. The contract is discharged by

- (a) Rescission
- (b) Merger
- (c) Waiver
- (d) Remission

[49] A contract entered between promiser and promisee becomes impossible to perform due to the destruction of the subject matter. In this case

- (a) Promisee is entitled for compensation
- (b) Contract continues to be valid
- (c) Contract becomes void
- (d) None of the above.

- [50]** A, B and C jointly promised to pay ₹60,000 to D. Before performance of the contract C dies. The contract
- Becomes void on C's death
 - Should be performed by A and B along with C's legal representatives.
 - Should be performed by A and B alone
 - Should be renewed between A, B and D

2014 – June

- [51]** Amar promises to paint a picture for Rambabu. Here, the promise must be performed by Amar himself because the Contract_____
- Is of mercantile nature
 - Is based on personal skill of Amar
 - Can not be performed by his legal representative
 - Can be rescinded by the promisee
- [52]** Which of the following is not applicable in relation to performance of reciprocal promises?
- They can be performed simultaneously
 - They cannot be performed simultaneously
 - They can be performed in an order fixed by the parties
 - The order of performance may be decided by the nature of transaction

- [53]** If time is the essence of a contract and it is not performed within specified time then_____.
- The contract cannot be performed later on
 - The promisor can compel the promisee to accept the performance later on
 - The contract becomes voidable at the option of the promisee
 - The contract becomes voidable at the option of the promisor

- [54]** Ram Lal and Shyam jointly promise to pay Mohan ₹ 30,000. Shyam paid the whole amount to Mohan. In case Ram and Lal are solvent, Shyam can recover:
- ₹ 15,000 from Lal
 - ₹ 30,000 from Ram
 - ₹ 20,000 from Lal
 - ₹ 10,000 each from Ram and Lal

- [55]** "Novation" means_____
- Alteration in terms of the contract
 - Rescission of the contract
 - Substitution of an existing contract with a new one
 - Remission of performance of contract

- [56]** If no time is specified for performance of contract, it must be performed within a reasonable time. "Reasonable time" means time_____
- Which seems to be reasonable to the promisor
 - Which seems to be reasonable to the promisee

- (c) Which is determined as reasonable by a third person
- (d) Which is reasonable under the facts and circumstances of the case

2014 – December

- [57]** Under section 58 of the Indian Contract Act, 1872 in the case of alternative promise wherein one branch is legal and another branch is illegal the _____.
- (a) contract is void.
 - (b) contract is voidable at the option of promisee.
 - (c) promisor can refuse to perform the contract.
 - (d) legal branch alone can be enforced.
- [58]** Sharma promised to teach Verma for the preparation of an examination. Sharma dies. In this case _____.
- (a) Legal representatives of Sharma can be compelled to perform the promise.
 - (b) Verma can claim damages.
 - (c) The agreement is voidable at the option of Verma.
 - (d) The contract comes to an end.
- [59]** When a voidable contract becomes void the rule of _____.
- (a) novation applies
 - (b) impossibility applies
 - (c) restitution applies
 - (d) rescission applies

- [60]** Shyam and Sunil made a joint promise. The promisee discharged Sunil. In this case _____.
- (a) The contract shall come to an end.
 - (b) Shyam shall also be discharged from his liability.
 - (c) The liability of Sunil to Shyam will not come to an end.
 - (d) The discharge by the promisee is not effective

2015 – June

- [61]** If any of the joint promisors make a default in making his contribution, how it will be settled down by other promisors?
- (a) Representative of the promisor will be liable of the contribution.
 - (b) Contract will be dismissed automatically.
 - (c) Promise of that promisor will be dismissed automatically.
 - (d) The remaining joint promisors must bear the loss arising from such a default is equal shares.
- [62]** X and Y enter into two agreements which are collateral to each other. One agreement is illegal and the other is legal but inseparable from the illegal one. In this case both the agreements are:
- (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) None of the above.

[63] Nirmal a professional singer enters into a contract with new Mumbai Opera House for a sum of ₹ 20,000 for one hour. This sum was paid to Nirmal in advance. On the day of programme Nirmal meets an accident and is unable to sing. Decide whether:

- (a) Nirmal must refund the advance money of ₹ 20,000 paid by Opera House.
- (b) Nirmal need not refund the advance money of ₹ 20,000 paid by Opera House.
- (c) Opera House will compel Nirmal to sing
- (d) Nirmal should enter into a new contract for singing at the Opera House.

[64] _____ denotes that the parties to a contract are not bound under the contract.

- (a) Breach of contract
- (b) Waiver of a contract
- (c) Rescission of a contract
- (d) Discharge of a contract

2015 – December

[65] A promises to pay ₹ 1,000 to B, if B write 1,000 pages in one minute. This is known as:

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

[66] X enters into a contract with Y for giving a dance performance at a function. Before the function starts,

X dies. The contract can be performed by

- (a) Z, a close friend of X
- (b) A successor of X
- (c) By an agent of X
- (d) None of the above.

2016 – June

[67] The promise under a contract may be performed by:

- (a) Promisor himself
- (b) Agent
- (c) Representatives
- (d) All of these.

[68] When persons reciprocally promise, first to do certain things which are legal and secondly, under specified circumstances, to do certain other things which are illegal, the first set of promise is a _____ contract, but the second is a _____ agreement.

- (a) Void, Void
- (b) Void, Valid
- (c) Valid, Void
- (d) Valid, Valid.

[69] A subsequent change in law will make the contract void because of _____.

- (a) Supervening impossibility
- (b) Commercial impossibility
- (c) Material alteration
- (d) Partial impossibility.

[70] _____ of contract can take place without consideration.

- (a) Alteration
- (b) Rescission
- (c) Novation
- (d) Remission.

- [71] A buyer will acquire good title for the goods sold by seller who has obtained possession under_____.
- (a) Illegal contract
 - (b) Void contract
 - (c) Voidable contract
 - (d) None of the above.

2016 – December

- [72] When the parties agree to cancel the contract it is called _____.
- (a) remission
 - (b) recession
 - (c) novation
 - (d) alteration
- [73] The term Novation means:
- (a) Amendment to the terms of the contract
 - (b) Substitution of a contract with a new contract
 - (c) Remission of contract
 - (d) Recession of the contract.
- [74] Asok owes ₹ 25,000 to Laxmi. Laxmi promises to accept ₹ 15,000 in full settlement of the original debt. Such an agreement is:
- (a) Voidable
 - (b) Valid
 - (c) Illegal
 - (d) Unenforceable.

2017 – June

- [75] A contract may be discharged by:
- (a) Performance of contract
 - (b) Breach of contract
 - (c) Mutual agreement
 - (d) Any of the above.

- [76] A, B and C jointly promise to pay ₹ 75,000 to D. A was compelled to pay the entire sum of ₹ 75,000. Here:
- (a) A can file a suit against D for recovery of sum exceeding his share
 - (b) A is entitled to recover ₹ 25,000 each from B and C respectively
 - (c) On payment by A, the contract is discharged and B and C are also not liable to A
 - (d) D is not justified and is liable to refund the entire sum to A.
- [77] X owes ₹15,000 to Y, he pays ₹ 12,000 in full and final settlement of the outstanding due. This is a case of_____.
- (a) novation
 - (b) alteration
 - (c) remission
 - (d) cancellation

2017 – December

- [78] Which of the following is false as regards to recession of contract?
- (a) Recession made by mutual agreements between the parties
 - (b) Aggrieved parties have an option to rescind in case of failure to perform contract by other parties
 - (c) Aggrieved party can rescind the contract when consent obtained by coercion, undue-influence, fraud or misrepresentation
 - (d) None of the above

- [79]** X owes ₹ 15,000 to Y, X pays ₹ 12,000 in full and final settlement of the outstanding due. This is a case of _____
- (a) novation
 - (b) alteration
 - (c) remission
 - (d) cancellation
- [80]** Supervening impossibility is discharge of contract by _____.
- (a) unknown impossibility
 - (b) loss of evidence of contract
 - (c) material alteration in the facts of contract
 - (d) impossibility arising after formation of contract
- [81]** Discharge of contract by mutual agreement includes _____.
- (a) death
 - (b) novation
 - (c) insolvency
 - (d) impossibility of performance
- [82]** P, a property dealer, appoints Q for ₹ 20,000 to find a purchaser for certain property. Q found a customer R, who paid ₹ 50,000 as advance to Q. Afterwards P refuse to sell the property. In this case, can R receive his money back from Q?
- (a) R will be able to receive his money from Q
 - (b) R will not be able to receive his money from Q
 - (c) Whole of the contract will become void
 - (d) None of the above.

Answer

- | | | | |
|---------|---------|---------|---------|
| 1. (a) | 2. (c) | 3. (d) | 4. (b) |
| 5. (c) | 6. (c) | 7. (d) | 8. (d) |
| 9. (d) | 10. (a) | 11. (a) | 12. (d) |
| 13. (d) | 14. (a) | 15. (b) | 16. (d) |
| 17. (c) | 18. (d) | 19. (d) | 20. (d) |
| 21. (b) | 22. (d) | 23. (b) | 24. (b) |
| 25. (a) | 26. (c) | 27. (d) | 28. (c) |
| 29. (b) | 30. (b) | 31. (d) | 32. (b) |
| 33. (c) | 34. (d) | 35. (c) | 36. (a) |
| 37. (d) | 38. (d) | 39. (d) | 40. (c) |
| 41. (b) | 42. (b) | 43. (c) | 44. (b) |
| 45. (a) | 46. (b) | 47. (c) | 48. (b) |
| 49. (c) | 50. (b) | 51. (b) | 52. (b) |
| 53. (c) | 54. (d) | 55. (c) | 56. (d) |
| 57. (d) | 58. (d) | 59. (d) | 60. (c) |
| 61. (d) | 62. (b) | 63. (a) | 64. (c) |
| 65. (a) | 66. (d) | 67. (d) | 68. (c) |
| 69. (a) | 70. (d) | 71. (c) | 72. (b) |
| 73. (b) | 74. (b) | 75. (d) | 76. (b) |
| 77. (c) | 78. (d) | 79. (c) | 80. (d) |
| 81. (b) | 82. (a) | | |

