

HERAMB PROFESSIONAL INSTITUTE

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CA-CPT / LAW

MARKS: 40

DURATION: 1 HR

1. Agreement is defined in section _____ of the Indian Contract Act, 1872.
a) 2(c) b) 2(e) c) 2(g) d) 2(i)
2. An agreement to commit a crime or a tort is _____.
a) Void b) Voidable c) Valid d) Unenforceable
3. A invites B for his son's wedding. B accepts the invitation. In this case, there is a/an-_____.
a) Agreement b) Contract c) Acceptance d) Offer
4. J married K and left for the US, promising to pay K Rs.50,000 per month till such time J was in the US. This is a case of-
a) Social Obligation, not an agreement b) Void Contract
c. Voidable Contract d) Valid Contract
5. _____ is made by words either spoken or written.
a) Express Contract b) Implied Contract c) Tacit Contract d) Unlawful Contract
6. All illegal agreements are void; but all void agreements are not illegal.
a) True b) Partly True c) False d) None of these
7. 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
8. _____ is expression of final willingness to perform a promise.
a) Invitation to Offer b) Offer c) Bid d) Acceptance
9. Goods displayed in a shop with a price label is _____.
a) an offer b) an Invitation to offer c) a Counter-offer d) a Contra-offer
10. Display of goods by a shopkeeper in his window is _____.
a) an offer b) an acceptance c) a contract d) merely an invitation to offer
11. When two persons make identical offers to each other, in ignorance of each other's offer, it is Called _____.
a) Cross Offers b) Implied Offers c) Direct Offers d) Express Offers
12. In which of the following circumstances, the offer lapses/comes to an end?
a) Non Acceptance of condition b) Acceptance not in the prescribed mode
c) Change in law or circumstances d) All of the above
13. According to the Indian Contract Act, 1872, 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
14. Acceptance may be signified either _____.
- a) In writing
 - b) by word of mouth
 - c) by performance of some act
 - d) all of the above
15. Acceptance should be given within _____.
- a) the time specified by the offeror
 - b) a reasonable time
 - c) such time as the offer lapses
 - d) all of the above
16. An agreement to agree in future is _____.
- a) Valid
 - b) Voidable
 - c) Illegal
 - d) Invalid
17. Consideration must move at the desire of _____.
- a) the promisor
 - b) the promisee
 - c) the promisor or any third party
 - d) both the promisor and promisee
18. Consideration may be _____.
- a) past
 - b) present
 - c) future
 - d) any of the above
19. A Minor's Parents or his Guardian are not liable to his Creditor for breach of contract by the Minor, if the contract is for _____.
- a) Supply of necessaries
 - b) supply of items other than necessaries
 - c) supply of services
 - d) all of the above
20. Necessaries consist of _____.
- a) Tangible Goods
 - b) Services
 - c) Either (a) or (b)
 - d) Neither (a) or (b)
21. Consent is said to be not free, if caused by _____.
- a) Coercion
 - b) Undue Influence
 - c) Misrepresentation
 - d) All of the above
22. X threatens to kill A if he does not sell his house to B at a very low price. Even if X is a stranger to the transaction between A and B, the agreement is caused by _____.
- a) Undue influence
 - b) coercion
 - c) fraud
 - d) misrepresentation
23. 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) undueforceable
 - d) illegal

24. Illegal agreements are _____.
- a) not enforceable by law b) forbidden by law
c) either (a) or (b) d) both (a) and (b)
25. An agreement to discover treasure by magic is void on grounds of _____.
- a) Initial Impossibility b) Subsequent Impossibility
c) Lack of consideration d) Supervening Impossibility
26. When the performance of a contract depends upon personal skill or ability of a party, on the death or incapability of that person, the contract is _____.
- a) Rescinded b) discharged c) illegal d) voidable
27. A makes a contract with B to sell a horse to B at a specified price, if C, to whom the horse had been earlier offered, refuses to buy. Contract cannot be enforced by law _____.
- a) at all b) unless and until C refuses to buy the horse
c) unless and until B refuses to buy the horse d) unless and until A refuses to sell the horse
28. A contract to marry a person shall be performed by _____.
- a) promisor himself b) representative of the promisor competent to perform
c) A third person d) Any of the above
29. A promises to perform a dance in B's theatre. A dies.
The contract is _____.
- a) Void b) discharged c) rescinded d) voidable
30. The remedies open to a person, suffering from breach of contract are _____.
- a) suit for damages b) suit for injunction
c) suit upon quantum meruit d) all of the above
31. When an agreement is discovered to be void, any person who has received any advantage under Such agreement _____.
- a) Is bound to restore it b) is not bound to return it
c) may retain it d) may sue for breach
32. Quantum Meruit means _____.
- a) a non-gratuitous promise b) as implied promise
c) as much as is earned d) as much as is paid
33. To claim remedy under Quantum Meruit, the original contract _____.

- a) should remain intact
b) must have been discharged
c) must be fully performed
d) all of the above
34. Damages which arise naturally in usual course of things from breach itself are called _____.
- a) special damages
c) liquidated damages
b) unliquidated damages
d) general damages
35. A contract to deliver 5,000 bags of rice at Rs.100 per bag on a future date. On due date he refuses to deliver. Market Price on that day is Rs.110 per bag. The ordinary damages will be_____.
- a) Rs.5,000 b) Rs.100 c) Rs.110 d) Rs.10
36. Damages that are awarded in the following two circumstances-(i) Breach of a promise, (ii) Wrongful dishonor of a cheque by a banker are called_____.
- a) Nominal damages b) general damages c) vindictive damages d) special damages
37. X leaves his goods at Y's place who consumes them. Y is bound to pay the price. Y's act of consumption of goods constitutes an implied promise to pay, under the principle of _____.
- a) contractual obligations
b) Quasi contractual obligations
c) semi contractual obligations
d) deemed contractual obligations
38. Obligation of person enjoying benefit of non-gratuitous act u/s 70 arises in respect of _____.
- a) lawful acts only b) illegal acts only c) either (a) or (b) d) both (a) and (b)
39. A and B jointly owe Rs.10 lakhs to C. A alone pays the amount to C and B, not knowing this fact Pays Rs.10 lakhs over again to C.
- a) C is bound to repay the amount to B
b) C is bound to repay the amount to B and A jointly
c) C is bound to repay the amount to A and B equally
d) C is not bound to repay the amount to B
40. In case of payment of amount under mistake, the period of limitation starts from _____.
- a) date of payment under mistake
b) date the mistake is or could have been discovered
c) (a) or (b) whichever is earlier
d) (a) or (b) whichever is later