

BLOGS

Contract Law Questions for CLAT PG 2026- PART III

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1. A valid tender must:

- A) Be conditional
- B) Include an offer to perform the whole obligation
- C) Be made at any place convenient to the promisor
- D) Not require readiness to perform

Answer: B

Explanation: Section 38 requires an unconditional offer to perform the whole obligation.

2. Which relationship raises no presumption of undue influence?

- A) Parent and child
- B) Spiritual adviser and disciple
- C) Solicitor and client
- D) Landlord and tenant

Answer: D

Explanation: Landlord-tenant does not automatically create presumption; proof is required.

3. Silence amounts to fraud when:

- A) Silence relates to material fact
- B) Silence is equivalent to speech by usage
- C) There is a duty to speak
- D) All of the above

Answer: D

Explanation: Silence is fraud if there is a duty to speak, or it is equivalent to speech, or there is intent to deceive.

4. An agreement collateral to an illegal agreement is:

- A) Valid
- B) Void only between parties
- C) Void if parties knew illegality
- D) Void irrespective of knowledge

Answer: D

Explanation: Collateral agreements to illegal contracts are void regardless of knowledge.

5. Frustration under Section 56 occurs when:

- A) Contract becomes unlawful after formation
- B) Performance becomes economically difficult
- C) Parties fail to agree on modifications
- D) Unexpected hardship arises

Answer: A

Explanation: Section 56 applies when performance becomes impossible or unlawful.

6. A past act done voluntarily at the promisor's request:

- A) Is valid consideration
- B) Is void
- C) Creates moral obligation only
- D) Requires fresh promise in writing

Answer: A

Explanation: Section 25(2) — a past voluntary act at the promisor's desire is valid consideration.

7. A surety is discharged if:

- A) Creditor grants principal more time without surety's consent
- B) Creditor releases co-surety
- C) Creditor merely forbears to sue
- D) Principal is adjudicated insolvent

Answer: A

Explanation: Section 135 discharges a surety if time is extended without consent.

8. Standard of care for a bailee is:

- A) That of a prudent owner
- B) Extraordinary care
- C) Minimal care unless a reward is fixed
- D) Strict liability

Answer: A

Explanation: Section 151 sets the standard as that of an ordinary prudent owner.

9. Which is true about contingent contracts?

- A) They depend on certainty, not event
- B) They are void if event is collateral
- C) They depend on an uncertain future event
- D) They can be enforced even if the event becomes impossible

Answer: C

Explanation: Section 31 defines contingent contracts as dependent on uncertain future events.

10. Indian law on penalty versus liquidated damages:

- A) Distinction strictly maintained as in English law
- B) No distinction; court awards reasonable compensation not exceeding sum named
- C) Only penalty enforced
- D) Only liquidated damages enforced

Answer: B

Explanation: Section 74 allows reasonable compensation, not exceeding the stipulated amount, regardless of label.