BLOGS

Practice Contract Law Questions for CLAT 2026

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Practice these Contract Law Questions for CLAT 2026 and test your preparation today!

1. Which of the following is NOT an essential element of a valid bailment?

a) Delivery of goods

b) Transfer of ownership

c) Purpose of return or disposal as per the bailor's directions

d) Existence of a contract

Answer: b) Transfer of ownership

2. If the bailee makes unauthorized use of the goods bailed, the bailor can:

a) Reclaim the goods immediately

b) Sue for damages only after expiry of the bailment period

c) Sell the goods to recover losses

d) Convert the bailment into a pledge

Answer: a) Reclaim the goods immediately

3. The bailor is liable to compensate the bailee if:

a) The bailee fails to return the goods

b) The goods are inherently defective and cause loss to the bailee

c) The bailee misuses the goods

d) The bailee sub-bails the goods without permission

Answer: b) The goods are inherently defective and cause loss to the bailee

4. The duty of the bailee to return the goods arises when:

a) The bailor demands the goods before the agreed time

b) The purpose of the bailment is achieved

c) The bailee uses the goods for personal benefit

d) The goods perish due to an Act of God

Answer: b) The purpose of the bailment is achieved

5. If a bailment is for the mutual benefit of both parties, it is called:

a) Gratuitous bailment

b) Absolute bailment

c) Non-contractual bailment

d) Bailment for consideration

Answer: d) Bailment for consideration

6. A pledge is a special kind of bailment where:

a) Goods are delivered for repair or safekeeping

b) Ownership of the goods is transferred

c) Goods are given as security for payment of a debt or performance of a promise

d) The pledgee has no rights over the goods

Answer: c) Goods are given as security for payment of a debt or performance of a promise

7. The pledgee's right to sell the pledged goods arises when:

a) The pledgor demands the goods before payment of the debt

b) The pledgor fails to repay the debt within the agreed period

c) The pledgee decides to terminate the pledge contract at will

d) The pledgee has held the goods for more than six months

Answer: b) The pledgor fails to repay the debt within the agreed period

8. Which of the following is a valid pledge?

a) A debtor pledging stolen goods

b) A servant pledging his master's goods without permission

c) A person pledging goods obtained under a void contract

d) A mercantile agent pledging goods with the owner's consent

Answer: d) A mercantile agent pledging goods with the owner's consent

9. In a pledge, if the pledgee sells the goods without giving reasonable notice to the pledgor, the sale is:

a) Valid and legally binding

b) Voidable at the option of the pledgor

c) Considered a bailment instead of a pledge

d) Automatically rescinded by law

Answer: b) Voidable at the option of the pledgor

10. If the pledged goods are lost due to the negligence of the pledgee, the pledgee is:

a) Not liable for any loss

b) Liable to compensate the pledgor for the value of the goods

c) Required to return different goods of the same value

d) Entitled to recover the debt despite the loss

Answer: b) Liable to compensate the pledgor for the value of the goods

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