AILET

Contract Law Questions for CLAT PG 2026- PART I

Ruchika Mohapatra · 11 Sep 2025

1. Which of the following is not a valid consequence of an agreement entered into by a minor under the Indian Contract Act, 1872?

A) It is absolutely void ab initio

B) Minor can ratify it on attaining majority

C) Minor can claim restitution of benefits if the other party was aware of his minority

D) Minor is not personally liable, but his property may be bound for necessaries

Answer: B

Explanation: A minor's agreement is void ab initio and cannot be ratified on attaining majority (Mohori Bibi v. Dharmodas Ghose). Only necessaries supplied can bind the minor's property, not his person.

2. Acceptance is complete as against the proposer:

A) When acceptance is posted

B) When acceptance is received by proposer

C) When acceptance comes to proposer's knowledge

D) When proposer reads the acceptance

Answer: A

Explanation: Under Section 4, acceptance is complete as against the proposer when it is put in the course of transmission so as to be out of the acceptor's power.

3. A revocation of proposal becomes effective:

A) As soon as it is dispatched

B) When it reaches the offeree

C) When the offeree reads it

D) Only if the offeree expressly acknowledges receipt

Answer: B

Explanation: Section 4 states revocation is complete when it comes to the knowledge of the offeree.

4. A finder of goods has:

A) No right to claim expenses

B) A lien only if a reward is fixed

C) Right to retain goods against the owner until lawful charges are paid

D) Ownership if the owner is not traced within 6 months

Answer: C

Explanation: Section 168 gives the finder a right of lien for lawful charges, even if no reward is fixed.

5. Which statement is correct regarding privity of contract?

A) Stranger to a contract can sue if consideration flows from him

B) Only parties can sue, irrespective of consideration

C) Consideration must move from promisee or any other person

D) A beneficiary under a trust may enforce the promise

Answer: D

Explanation: Privity rule bars strangers from enforcing, except in trust or beneficiary arrangements.

6. Where time is not of the essence, delay by the promisee entitles the promisor to:

A) Repudiate the contract

B) Claim compensation only

C) Avoid and claim compensation

D) Treat the contract as voidable without damages

Answer: B

Explanation: Section 55 provides that if time is not of the essence, delay allows compensation, not rescission.

7. A contract restraining marriage of:

A) Any person absolutely is void

B) Only minors is void

C) Adults is valid if reasonable

D) Hindu women is void, Muslim women valid

Answer: A

Explanation: Section 26 voids agreements in restraint of marriage (except in the case of minors).

8. Which is not essential to prove fraud under Section 17?

A) False representation knowingly

B) Suppression of material fact

C) Intention to deceive

D) Mere breach of promise without intent

Answer: D

Explanation: A mere breach of promise is not fraud unless an intention to deceive existed at the time.

9. A contingent contract dependent on an impossible event is:

A) Void only if impossibility is known

B) Void irrespective of knowledge

C) Valid until impossibility is proved

D) Enforceable if parties waive condition

Answer: B

Explanation: Section 36 renders such contracts void ab initio, whether parties knew the impossibility or not.

10. Novation under Section 62 requires:

A) Consent of all parties concerned

B) Consent of the promisee only

C) Court approval if rights are transferred

D) Written agreement invariably

Answer: A

Explanation: Substitution of a new contract requires consent of all parties; writing is not mandatory unless statute demands.