BLOGS

Important MCQs on Indian Contract Act

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1. When an innocent party accepts a breach of contract and terminates the contract, it is called: a) Rescission b) Novation c) Accord and satisfaction d) Repudiation
2. A contract entered into by a minor is generally: a) Void b) Voidable c) Unenforceable d) Valid
3. The legal principle that requires both parties to a contract to receive something of value is known as: a) Privity of contract b) Parole evidence rule c) Consideration d) Offer and acceptance
4. When a contract is breached, the non-breaching party may seek: a) Rescission b) Damages c) Specific performance d) All of the above
5. The doctrine of frustration applies when: a) The terms of the contract are unclear b) One party fails to fulfill their obligations c) The performance of the contract becomes impossible or significantly more difficult d) The contract is illegal
6. Which of the following is an example of a unilateral mistake in contract formation? a) Both parties make the same mistake regarding the subject matter b) One party makes a mistake and the other party is aware of it c) Both parties are mistaken, but about different terms of the contract d) One party makes a mistake, but the other party is also mistaken about a different term
7. When a party intentionally makes a false statement of fact to induce another party to enter into a contract, it is known as: a) Duress b) Fraud c) Misrepresentation d) Mistake
8. When a contract is terminated because both parties agree to end it, it is called: a) Rescission b) Novation c) Accord and satisfaction d) Mutual rescission
9. In contract law, the term “privity of contract” refers to: a) The legal relationship between two contracting parties b) The requirement of consideration for a contract to be valid c) The requirement of a written agreement for certain contracts d) The obligation to disclose all material facts in a contract
10. When a contract is discharged due to impossibility, the result is: a) The contract becomes void b) The contract is rescinded and the parties are restored to their original positions c) The

parties must renegotiate the terms of the contract d) The contract is terminated, and the parties are relieved of their obligations

Answers

1. d
2. a
3. c
4. d
5. c
6. b
7. b
8. d
9. a
10. a

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