BLOGS

MCQs for CLAT PG 2026- Contract Law

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Q1. A minor's agreement under Indian law is:

(A) Voidable at the minor's option

(B) Void ab initio

(C) Valid if for minor's benefit

(D) Enforceable if ratified on majority

Correct Answer: (B)

Explanation: As held in *Mohori Bibee*, a minor's contract is void from the beginning and cannot be ratified later.

Q2. In India, consideration:

(A) Must come only from promisee

(B) Must be adequate in value

(C) Can move from promisee or any other person

(D) Cannot be past consideration

Correct Answer: (C)

Explanation: Section 2(d) allows consideration to move from promisee or any other person; past consideration is also valid.

Q3. Acceptance by post is complete:

(A) When received by offeror

(B) When letter of acceptance is posted

(C) When communicated over phone

(D) Only after confirmation

Correct Answer: (B)

Explanation: Under Section 4, acceptance is complete as against the proposer when the acceptance is posted.

Q4. If a contract becomes impossible due to an unforeseen event:

(A) It remains binding

(B) It is frustrated and void

(C) It becomes voidable

(D) Only damages are payable

Correct Answer: (B)

Explanation: Section 56 discharges a contract if performance becomes impossible or unlawful after formation.

Q5. Necessaries supplied to a minor:

(A) Cannot be recovered at all

(B) Can be recovered from minor's property

(C) Make the minor personally liable

(D) Are unenforceable entirely

Correct Answer: (B)

Explanation: Section 68 allows reimbursement from the minor's property for necessaries suited to his condition.

Q6. A contract stipulates ₹1 lakh as penalty for breach. Court will:

(A) Always award full ₹1 lakh

(B) Award reasonable compensation up to ₹1 lakh

(C) Award nominal damages only

(D) Ignore clause entirely

Correct Answer: (B)

Explanation: Section 74 allows reasonable compensation not exceeding the stipulated sum.

Q7. In a contract of guarantee, surety's liability is:

(A) Less than principal debtor's

(B) Co-extensive with principal debtor's

(C) Only after debtor's property is exhausted

(D) Fixed by court discretion

Correct Answer: (B)

Explanation: Section 128 makes the surety liable to the same extent as the principal debtor unless agreed otherwise.

Q8. If goods delivered are of inferior quality but accepted, buyer can:

(A) Reject after use

(B) Claim damages for difference in value

(C) Refuse payment entirely

(D) Demand replacement always

Correct Answer: (B)

Explanation: Buyer can treat breach as warranty and claim damages while keeping goods.

Q9. Which agreement is void for public policy?

(A) Restrictive trade covenant during goodwill sale

(B) Agreement to share future lottery winnings

(C) Agreement to pay to secure consent for marriage

(D) Loan at high interest

Correct Answer: (C)

Explanation: Agreements interfering with freedom of marriage are void under Section 23.

Q10. Indemnity-holder's rights include:

(A) Only after actual loss is paid

(B) Right to be reimbursed for liability incurred

(C) No rights until suit ends

(D) Only for damages, not costs

Correct Answer: (B)

Explanation: The indemnity-holder can recover amounts he is compelled to pay, even before payment, if liability is absolute.