

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 necessities 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.