BLOGS

Multiple Choice Questions on the Sale of Goods Act- PART II

Ruchika Mohapatra · 25 Sep 2025

1. Which of the following is NOT a characteristic of a "contract of sale" under the Sale of Goods Act, 1930?

a. It must relate to movable goods only

b. It must be supported by consideration in money

c. It may be absolute or conditional

d. It can transfer ownership of immovable property

Correct Answer: d. It can transfer ownership of immovable property

Explanation: Section 4 clarifies that the Act applies only to movable goods. Transfer of immovable property is governed by the Transfer of Property Act, not by the Sale of Goods Act.

2. When the seller delivers goods mixed with goods of a different description, the buyer may:

a. Reject the whole

b. Accept the whole

c. Accept the goods that match the contract and reject the rest

d. Any of the above, at the buyer's option

Correct Answer: d. Any of the above, at the buyer's option

Explanation: Section 37(2) gives the buyer the right to: (i) accept the goods that correspond and reject the rest, (ii) reject the whole, or (iii) accept the whole.

3. Under Section 18, property in unascertained goods passes to the buyer:

a. On payment of price

b. When the seller appropriates goods with buyer's assent

c. When goods are delivered to carrier

d. Only after inspection

Correct Answer: b. When the seller appropriates goods with buyer's assent

Explanation: Ownership in unascertained goods cannot pass until the goods are ascertained and unconditionally appropriated to the contract with mutual consent.

4. A buyer repudiates the contract before delivery is due. The seller may:

a. Treat the contract as subsisting and wait until delivery date
b. Sue immediately for damages for non-acceptance
c. Resell the goods at once without notice
d. Either (a) or (b), depending on circumstances

Correct Answer: d. Either (a) or (b), depending on circumstances

Explanation: Section 60 allows the seller to treat anticipatory breach as final (and sue for damages) or keep the contract alive until the delivery date.

5. Under Section 12, which of the following is a warranty and not a condition?

a. Right of the seller to sell goods
b. Goods shall correspond with description
c. Goods shall be reasonably fit for buyer's purpose (if purpose is disclosed)
d. Buyer shall enjoy quiet possession of goods

Correct Answer: d. Buyer shall enjoy quiet possession of goods

Explanation: Section 12(3) explains: stipulations essential to main purpose are conditions; collateral stipulations are warranties. Quiet possession is a warranty.

6. Where the seller delivers to the buyer a quantity greater than contracted, the buyer:

a. Must accept all and pay for all
b. Must reject the whole
c. May accept contracted quantity and reject the excess
d. Must return the entire delivery

Correct Answer: c. May accept contracted quantity and reject the excess

Explanation: Section 37(1) allows the buyer to: (i) accept the contract quantity and reject the excess, (ii) accept all and pay at contract rate, or (iii) reject the whole.

7. Under Section 61, interest on the price of goods:

a. Cannot be claimed unless expressly agreed

b. Is payable only when court awards it as damages

c. May be awarded even if no specific agreement exists, from date of tender or due date

d. Is barred unless price exceeds ₹1,000

Correct Answer: c. May be awarded even if no specific agreement exists, from date of tender or due date

Explanation: Section 61 gives the court discretion to allow interest on the price from the date it becomes payable, regardless of agreement.

8. When goods perish after an agreement to sell but before the risk passes to buyer, the agreement:

a. Is void under Section 8

b. Becomes a sale automatically

c. Is enforceable against buyer

d. Converts into a bailment

Correct Answer: a. Is void under Section 8

Explanation: Section 8 states that if goods perish without fault of either party before ownership passes, the agreement is avoided.

9. Which of the following statements about an "unpaid seller's right of stoppage in transit" is correct?

a. It exists even if buyer is solvent

b. It ends when carrier delivers goods to buyer or his agent

c. It can be exercised only before property passes

d. It does not apply to part deliveries

Correct Answer: b. It ends when carrier delivers goods to buyer or his agent

Explanation: Section 50 provides that stoppage in transit continues until delivery is made to the buyer or his agent in that behalf.

10. In an auction with reserve price, if bids do not reach the reserve:

a. The highest bidder is bound to buy

b. Auctioneer may withdraw goods

c. Sale is complete at fall of hammer, even below reserve

d. Bidding is void ab initio

Correct Answer: b. Auctioneer may withdraw goods

Explanation: Under Section 64(5), where a reserve or upset price is fixed, the auctioneer may withdraw goods if bids do not reach the reserve price.