BLOGS

Important Multiple Choice Questions on Contract Act

Ruchika Mohapatra · 18 Jun 2024

Multiple Choice Questions on Contract Act

1. What is an essential element for the formation of a valid contract under the Indian Contract Act, 1872?

A. Written agreement

B. Consideration

C. Witness signatures

D. Verbal promise

2. Which of the following is a necessary condition for a valid contract?

A. Adequate compensation

B. Mutual consent

C. Public registration

D. Approval from a government authority

3. What type of contracts does the Indian Contract Act recognize as enforceable by law?

A. Social agreements

B. Personal commitments

C. Voidable contracts

D. Legal agreements

4. Who among the following is not competent to contract under the Indian Contract Act?

A. A minor

B. A person of unsound mind

C. A bankrupt person

D. A foreign national

5. Which of the following elements makes a contract void under the Indian Contract Act?

A. Lack of legal formality

B. Incomplete performance

C. Absence of free consent

D. Unilateral promise

6. When does coercion affect the validity of a contract under the Indian Contract Act?

A. When it involves moral pressure

B. When it is intended to support the promisee's goodwill

C. When it induces an act forbidden by law

D. When it prevents the exercise of free consent

7. X promises to pay Y ₹10,000 if Y refrains from filing a lawsuit against X. This agreement is:

A. Valid

B. Voidable

C. Void

D. Enforceable

8. What happens to a contract that becomes impossible to perform after formation?

A. It remains valid until completion

B. It is discharged by mutual consent

C. It becomes void by operation of law

D. It continues with alternative terms

9. Which type of contract under the Indian Contract Act is contingent upon the happening of a specified event?

A. Void contract

B. Unilateral contract

C. Contingent contract

D. Executed contract

10. X agrees to sell his car to Y for ₹2,00,000, but later sells it to Z. What remedy does Y have under the Indian Contract Act?

A. Specific performance

B. Damages

C. Quantum meruit

D. Novation

11. An agreement to do an act that is forbidden by law is:

A. Void

B. Voidable

C. Enforceable

D. Illegal

12. Which section of the Indian Contract Act deals with contingent contracts?

A. Section 30

B. Section 31

C. Section 32

D. Section 33

13. X promises to pay ₹1,00,000 to Y upon the death of Y's uncle. This is an example of a:

A. Contingent contract

B. Void contract

C. Quasi-contract

D. Unilateral contract

14. What type of consent is essential for a valid contract under the Indian Contract Act?

A. Implied consent

B. Coercive consent

C. Free consent

D. Verbal consent

15. Which of the following is a discharge of a contract by operation of law?

A. Rescission

B. Alteration

C. Novation

D. Ratification

16. X agrees to pay ₹50,000 to Y if Y's house catches fire. Y's house later catches fire. Can Y enforce this agreement?

A. Yes, because X agreed to pay ₹50,000

B. No, because it's an agreement to do an impossible act

C. No, because the event was not contingent on the will of the promisor

D. Yes, because it was a lawful act

17. Which of the following agreements is not enforceable under the Indian Contract Act?

A. An agreement to marry

B. An agreement to sell illicit goods

C. An agreement to share property

D. An agreement to pay for services rendered

18. In what circumstances does an agreement become void under the Indian Contract Act?

A. When consideration is inadequate

B. When it is against public policy

C. When it is not signed by witnesses

D. When parties do not exchange a written agreement

19. X agrees to sell his car to Y for ₹2,00,000. Later, X sells the same car to Z. What remedy does Y have under the Indian Contract Act?

A. Specific performance

B. Damages

C. Quantum meruit

D. Novation

20. Which of the following is a type of void agreement under the Indian Contract Act?

A. An agreement with uncertain terms

B. An agreement that is unconscionable

C. An agreement involving minors

D. An agreement for an impossible act

ANSWERS

1. B
2. B
3. D
4. B
5. C
6. B
7. C
8. C
9. B
10. B
11. A
12. C
13. A
14. C
15. A
16. C
17. B
18. B
19. B
20. D

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