

BLOGS

Important Multiple Choice Questions on Contract Act

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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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