CLATalogue
The Home of Law Aspirants

BLOGS

Multiple Choice Questions on Indian Partnership Act

Ruchika Mohapatra · 20 Jul 2024

Test your knowledge of the subject with multiple-choice questions on the Indian Partnership Act.

Questions on the Indian Partnership Act

1. Which section of the Indian Partnership Act defines “partnership”? a) Section 2 b) Section 3 c) Section 4 d) Section 5
2. The relation of partnership arises from: a) Agreement b) Inheritance c) Statute d) Court order
3. Which of the following is not a characteristic of a partnership? a) Sharing of profits and losses b) Mutual agency c) Limited liability d) Agreement
4. The minimum number of partners in a partnership firm is: a) One b) Two c) Three d) Four
5. What is the maximum number of partners allowed in a banking business partnership? a) 10 b) 20 c) 50 d) 100
6. What does the term ‘mutual agency’ imply in a partnership? a) Every partner is an agent of the firm only b) Every partner is a principal only c) Every partner is both an agent and a principal d) Every partner is neither an agent nor a principal
7. Which section of the Indian Partnership Act deals with the rights of partners? a) Section 9 b) Section 12 c) Section 15 d) Section 18
8. Under the Indian Partnership Act, 1932, which type of partner has no right to take part in the conduct of the business? a) Active Partner b) Sleeping Partner c) Nominal Partner d) Partner by Estoppel
9. What is the term used for a partner who only lends his name to the firm without having any real interest in the business? a) Active Partner b) Nominal Partner c) Silent Partner d) Sub-Partner

10. Which section of the Indian Partnership Act deals with the liabilities of a partner for the acts of the firm? a) Section 20 b) Section 25 c) Section 30 d) Section 35
11. Dissolution of a partnership firm means: a) Change in partnership agreement b) Admission of a new partner c) Termination of partnership relationship d) Reconstitution of the firm
12. Which section of the Indian Partnership Act provides for the registration of firms? a) Section 56 b) Section 58 c) Section 60 d) Section 62
13. A partnership formed for a specific project or for a fixed period is called: a) General partnership b) Limited partnership c) Particular partnership d) Partnership at will
14. Which of the following is not a ground for compulsory dissolution of a firm under the Indian Partnership Act? a) Insolvency of all partners b) Completion of project c) Expiry of the term d) Admission of a new partner
15. The doctrine of ‘holding out’ is provided under which section of the Indian Partnership Act? a) Section 20 b) Section 28 c) Section 34 d) Section 41
16. Which type of partner does not contribute capital and does not share profits? a) Active Partner b) Dormant Partner c) Nominal Partner d) Sub-Partner
17. A partner who is entitled to share the profits of the business but not liable for the losses is known as: a) Partner by estoppel b) Minor partner c) Sub-partner d) Sleeping partner
18. Which section of the Indian Partnership Act allows a partner to retire? a) Section 32 b) Section 35 c) Section 40 d) Section 45
19. In the absence of an agreement, partners share profits and losses: a) Equally b) According to capital contribution c) Based on seniority d) Based on mutual consent
20. The partnership property belongs to: a) Partners individually b) The firm as a whole c) Managing partner d) Majority partners

ANSWERS

1. C
2. A
3. C
4. B
5. A

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

For more Questions on Indian Partnership Act, click here!