BLOGS

Multiple Choice Questions on Transfer of Property Act- PART II

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1. A mortgagee in possession must:

a. Use the property only for personal benefit

b. Account for rents and profits received

c. Always transfer the property to a sub-mortgagee

d. Pay municipal taxes only if agreed

Answer: b

Explanation: Section 76 obliges the mortgagee in possession to account for rents and profits and manage the property as a prudent owner.

2. When a gift is made to two persons jointly and one dies before acceptance, the gift:

a. Fails entirely

b. Validly passes to the survivor

c. Passes to legal heirs of the deceased

d. Requires fresh acceptance

Answer: b

Explanation: Under Section 125, if one of the donees dies before acceptance, the gift operates in favour of the survivor.

3. A charge differs from a mortgage in that:

a. It does not create any interest in the property

b. It always requires registration

c. It transfers ownership to the charge-holder

d. It is enforceable only against movable property

Answer: a

Explanation: Section 100 clarifies that a charge does not create any interest in the property but only secures payment out of it.

4. Which transfer is invalid under Section 25 (conditional transfers)?

a. A transfer contingent upon an event that is impossible

b. A transfer contingent upon an uncertain future event

c. A transfer subject to a condition precedent

d. A transfer subject to a condition subsequent

Answer: a

Explanation: A transfer dependent on an impossible event is void ab initio as per Section 25.

5. In case of a usufructuary mortgage:

a. The mortgagor remains in possession

b. The mortgagee is entitled to possession and profits

c. Interest must always be paid in cash

d. Redemption is not allowed

Answer: b

Explanation: Under Section 58(d), the mortgagee gets possession and receives rents and profits in lieu of interest or principal.

6. A transfers a house to B, reserving to himself the right to occupy the first floor for life. This is:

a. A valid transfer with a reservation

b. A lease to A

c. Void as repugnant to the transfer

d. A license

Answer: a

Explanation: Section 11 allows a transferor to reserve a limited interest (like life occupation) while transferring ownership.

7. Which of the following is a valid transfer under Section 13 (benefit of unborn persons)?

a. A transfers property to B for life, then to C absolutely, who is unborn at the date of transfer

b. A transfers property directly to an unborn person

c. A transfers property to B absolutely, then to C (unborn)

d. A transfers property to C, an unborn, without prior life estate

Answer: a

Explanation: Section 13 requires that for the benefit of an unborn, there must be a prior life estate; direct transfers to unborn persons are void.

8. Which of the following correctly states the rule of lis pendens?

a. Transfer during pendency of litigation is valid but subject to the outcome

b. Transfer is void if made after suit is filed

c. Transfer is valid if transferee is unaware of the suit

d. Transfer is absolutely voidable at the option of the plaintiff

Answer: a

Explanation: Section 52 provides that transfers during litigation are not void but remain subject to the decree of the court.

9. A gift of immovable property is complete when:

a. The donor expresses intention to gift

b. The donee takes possession and accepts

c. The instrument is registered and accepted

d. Consideration is paid

Answer: c

Explanation: Under Section 123, a gift of immovable property must be effected by a registered instrument signed by the donor and accepted by the donee.

10. A lease of immovable property determined by efflux of time can be renewed only if:

a. The lessee continues in possession after expiry

b. The lessor expressly assents to renewal

c. The lessee pays rent after expiry

d. There is a covenant for renewal in the lease

Answer: d

Explanation: Section 111 and 116 state that renewal requires an express covenant or fresh agreement; mere holding over gives rise only to tenancy at will or month-to-month tenancy.