BLOGS

Passage-based Legal Reasoning Questions for CLAT UG 2026

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PASSAGE

Quasi Contracts

English Law identified quasi-contractual obligations first, the framers of the Indian Contract Act modified it and placed it in the Act as- “certain relations resembling those created by contracts”. Therefore the elements that are present in the English Quasi-contract are also found in that of the Indian Contract Act.

Though the Indian Contract Act, 1872 does not define a quasi-contract, it calls them relation resembling those of contracts. However, a quasi-contract may be defined as, “a transaction in which there is no contract between the parties; the law creates certain rights and obligation between them which are similar to those created by a contract.

“An obligation created by law for the sake of justice; specif., an obligation imposed by law on parties because of a relationship between parties or because one of them would otherwise be unjustly enriched. It’s not a contract, but instead is a remedy that allows the plaintiff to recover a benefit conferred on the defendant.[iii] These types of contracts are quasi-contract or restitution that fall in the third category of quasi-contracts or restitution.[iv]

The procedural term ‘quantum meruit’ has persisted and is sometimes used as a synonym for the more general term ‘ quasi-contract’ which refers to any money claim for the redress of unjust enrichment.[v] Basically, in other words, a contract made by law for reasons of equity with no statement of consent is a quasi-contract. Quasi-contracts bring a situation which imposes obligations or duties upon the parties by law rather than the assent given by them to the contract terms.[vi]

There are many situations in which law, as well as justice, requires that a certain person is required to confirm an obligation, although he has not broken any contract nor committed any tort. For example for Quasi Contract would be worthy of Quoting for the better understanding of Quasi Contract, if a person in whose home certain goods have been left by mistake is bound to restore them.

This shows that a person cannot entertain unjust benefits at the cost of some other person. Such kind of obligations is generally described, for the want of better or more appropriate name, as Quasi-Contractual Obligations. This would be better to explain it up that Quasi-contract consists of the Contractual Obligation which is entered upon not because the parties have consented to it but because the law does not allow a person to have an unjustified benefit at the cost of another party.

These are not contracts but these fictional agreements arise to ensure equity as it would be unfair if a party gets an undue advantage at the cost of others. The liability exists in quasi-contracts on the basis of the doctrine of unjust enrichment. Take for an example a person in whose house certain goods have been left incidentally, so that person is bound to restore them. There will be an obligation on the house owner to restore the goods safely that is imposed by law rather than any agreement between the parties.

Source: **https://www.lawctopus.com/academike/contracts-and-quasi-contracts/**

QUESTIONS

1. How does the Indian Contract Act describe quasi-contracts?

A) As agreements enforceable by law
B) As certain relations resembling those created by contracts
C) As contracts formed with mutual consent
D) As obligations that arise only in written contracts

Correct Answer: B) As certain relations resembling those created by contracts

Explanation: The Indian Contract Act does not define quasi-contracts but describes them as “certain relations resembling those created by contracts,” meaning they create obligations similar to contracts without actual agreement.

2. What is the key characteristic of a quasi-contract?

A) It is based on mutual consent

B) It is imposed by law to prevent unjust enrichment

C) It requires a written agreement

D) It applies only in cases of fraud

Correct Answer: B) It is imposed by law to prevent unjust enrichment

Explanation: A quasi-contract is not formed by mutual agreement but is imposed by law to prevent one party from gaining an unfair advantage at another's expense.

3. Which principle is the foundation of quasi-contracts?

A) Free consent

B) Doctrine of unjust enrichment

C) Principle of estoppel

D) Privity of contract

Correct Answer: B) Doctrine of unjust enrichment

Explanation: Quasi-contracts are based on the principle that no one should be unjustly enriched at another's expense, leading the law to impose obligations even without a formal contract.

4. Which of the following best describes a quasi-contract?

A) A legally enforceable contract with mutual obligations

B) A contract with all essential elements but without lawful consideration

C) A contract imposed by law despite the absence of agreement

D) A contract that is valid only in equity courts

Correct Answer: C) A contract imposed by law despite the absence of agreement

Explanation: Quasi-contracts are not actual contracts but are obligations imposed by law to prevent one party from unjustly benefiting at another's expense.

5. What remedy does the law provide in cases of quasi-contracts?

A) The contract is declared void

B) The plaintiff is compensated for unjust enrichment of the defendant

C) The defendant is penalized for fraud

D) The contract is enforced with modifications

Correct Answer: B) The plaintiff is compensated for unjust enrichment of the defendant

Explanation: The remedy in quasi-contract cases is restitution, ensuring that the defendant does not unjustly benefit from the plaintiff's loss.

6. Which legal term is sometimes used synonymously with quasi-contract?

A) Quantum meruit
B) Caveat emptor
C) Consensus ad idem
D) Res ipsa loquitur

Correct Answer: A) Quantum meruit

Explanation: "Quantum meruit" refers to a claim for the value of services or goods provided, and it is often used in the context of quasi-contracts to prevent unjust enrichment.

7. Which situation is an example of a quasi-contract?

A) A signed rental agreement between a landlord and tenant
B) A person mistakenly receiving and using goods that were not meant for them
C) A company offering a job with a valid employment contract
D) A sale agreement executed before a notary public

Correct Answer: B) A person mistakenly receiving and using goods that were not meant for them

Explanation: If someone mistakenly receives goods, they are legally obligated to return them, even though no contract exists, creating a quasi-contractual obligation.

8. What is the primary objective of quasi-contractual obligations?

A) To enforce mutual agreements
B) To prevent unfair loss and unjust enrichment
C) To penalize breach of contract
D) To ensure contracts are always in written form

Correct Answer: B) To prevent unfair loss and unjust enrichment

Explanation: Quasi-contracts exist to ensure fairness by preventing one party from unjustly benefiting at another's expense without a valid contractual agreement.

9. Which of the following is NOT a feature of quasi-contracts?

A) They are imposed by law

B) They require prior consent of both parties

C) They prevent unjust enrichment

D) They impose obligations on a party even without agreement

Correct Answer: B) They require prior consent of both parties

Explanation: Quasi-contracts do not require prior consent but are imposed by law to prevent one party from unfairly benefiting at another's expense.

10. Why are quasi-contracts sometimes referred to as "fictional contracts"?

A) They do not exist in Indian law

B) They are based on hypothetical agreements

C) They impose contractual obligations even without an actual contract

D) They are only applicable in criminal law

Correct Answer: C) They impose contractual obligations even without an actual contract

Explanation: Quasi-contracts are called "fictional contracts" because they impose obligations as if a contract existed, even when no formal agreement was made.

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