BLOGS

Passage-based Questions on Indian Contract Act for CLAT UG 2026-Part I

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1. When one person signifies to another his willingness to do or to abstain from doing anything, he is said to make a proposal; when the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. A proposal, when accepted, becomes a promise.

Question:

When does a proposal become a contractually binding promise?

A. As soon as the proposer signs the offer

B. When the offeree performs the act requested without notifying the proposer

C. When the offeree communicates his assent to the proposal

D. When the contract is printed in writing and stamped

Answer: C

Explanation: A contract forms when a proposal is accepted. Communication of acceptance is necessary to create a binding promise.

2. When, at the desire of the promisor, the promisee or any other person does something, such act or abstinence is called consideration for the promise.

Question:

Which of the following situations correctly illustrates valid consideration?

A. A lends B money and later promises to repay with interest

B. B helps A voluntarily without A's request

C. B builds a fence at A's request and A promises to pay later

D. A promises to invite B for tea; B pays A for the invitation

Answer: C

Explanation: Consideration must be at the promisor's desire. B's act of building the fence at A's request constitutes valid consideration.

3. An agreement not enforceable by law is void; an agreement enforceable by law is a contract.

Question:

Which of the following is a void agreement?

A. A mutual agreement between competent parties with free consent

B. An agreement between competent parties to commit a crime

C. An agreement made without undue influence

D. An agreement made with lawful object and consideration

Answer: B

Explanation: An agreement to commit an illegal act is not enforceable by law and thus void.

4. All agreements are contracts if they are made by the free consent of parties competent to contract, for a lawful consideration and with a lawful object.

Question:

Which agreement does *not* qualify as a valid contract?

A. Agreement with free consent and lawful object

B. Agreement between two adults involving illegal gambling

C. Agreement between two competent parties for sale of property

D. Agreement to provide services for lawful remuneration

Answer: B

Explanation: An agreement involving an illegal object, such as gambling (unless specifically permitted), is not valid.

5. Every person is competent to contract who is of the age of majority, is of sound mind, and is not disqualified by law.

Question:

Who among the following is competent to contract?

A. A 17-year-old buying a mobile phone

B. A person of unsound mind entering a service agreement

C. An adult of sound mind, not disqualified by law

D. A minor entering a sale agreement

Answer: C

Explanation: Only individuals of majority age, sound mind, and not disqualified are competent to contract.

6. Two or more persons are said to consent when they agree upon the same thing in the same sense.

Question:

Which scenario shows a valid contract based on consensus ad idem?

A. A offers to sell his “Jaguar” car, B believes it to be a pet

B. A and B discuss a potential deal but don’t agree on price

C. A and B agree on the sale of a specific car for ₹5 lakhs

D. B signs a contract assuming it’s for land when it’s for goods

Answer: C

Explanation: Consensus ad idem requires agreement on the same thing in the same sense. Option C satisfies this.

7. Consent is free when it is not caused by coercion, undue influence, fraud, misrepresentation, or mistake.

Question:

Which of the following *does not* vitiate free consent?

A. A threatens B to sign a contract

B. A misrepresents a key fact to B

C. B agrees based on a shared mistake of law

D. B voluntarily enters into the agreement after reading all terms

Answer: D

Explanation: Free consent exists when there’s no external pressure or misrepresentation.

8. The communication of acceptance is complete as against the proposer when it is put in a course of transmission to him, so as to be out of the power of the acceptor.

Question:

When is acceptance complete against the proposer?

A. When the proposer reads the acceptance

B. When the acceptor posts the letter of acceptance

C. When the proposer responds to the acceptance

D. When the parties meet and shake hands

Answer: B

Explanation: Acceptance is complete against the proposer when posted, even if not yet received.

9. They are offers to anybody who performs the conditions named in the advertisement, and anybody who does perform the condition accepts the offer.

Question:

Which principle does this illustrate?

A. General offers require formal acceptance

B. Unilateral offers are binding upon performance

C. Advertisements cannot constitute offers

D. Performance without communication is invalid

Answer: B

Explanation: A unilateral offer is accepted by performing the conditions specified.

10. The communication of a revocation is complete as against the person to whom it is made when it comes to his knowledge.

Question:

When is revocation of an offer effective?

A. When sent

B. When drafted

C. When received by the offeree

D. When acceptance is posted

Answer: C

Explanation: Revocation is effective only when it reaches the offeree.

For More Questions on Contract Act, click here!