BLOGS

Practice Contract Law Questions for CLAT PG 2026 (Part I)

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1. Which of the following is an essential element of a valid contract under the Indian Contract Act, 1872?

A. A written document

B. Consent of the parties obtained by coercion

C. Lawful consideration

D. Verbal acceptance only

Correct Answer: C. Lawful consideration

Explanation: As per Section 10 of the Indian Contract Act, a contract must have lawful consideration to be valid. Consent must also be free and not obtained by coercion.

2. In a contract of bailment, the person who delivers the goods is called the:

A. Bailee

B. Lessor

C. Bailor

D. Agent

Correct Answer: C. Bailor

Explanation: Under Section 148, the person delivering goods for a purpose under a contract is the bailor; the receiver is the bailee.

3. Which of the following is not a valid mode of terminating an agency?

A. By the principal becoming of unsound mind

B. By mutual agreement

C. By expiry of time

D. By novation

Correct Answer: D. By novation

Explanation: Novation applies to contracts, not specifically agency. Agency can end due to revocation, mutual agreement, completion, or incapacity.

4. Estoppel prevents a person from:

A. Enforcing a legal right

B. Denying a statement made to another who relied on it

C. Entering into a contract

D. Filing a civil suit

Correct Answer: B. Denying a statement made to another who relied on it

Explanation: Estoppel bars a party from denying the truth of a statement previously made, if the other party acted upon it.

5. A lease for more than one year must be:

A. Notarized

B. Registered

C. In oral form

D. Executed on plain paper

Correct Answer: B. Registered

Explanation: As per the Transfer of Property Act, 1882, leases exceeding 12 months must be registered.

6. A gratuitous bailment ends:

A. When the bailee wants

B. Only after delivery

C. When the purpose is completed

D. When the goods are destroyed

Correct Answer: C. When the purpose is completed

Explanation: Gratuitous bailment (without consideration) ends when the purpose is served or time expires.

7. An offer becomes a contract when:

A. It is accepted and communicated

B. It is withdrawn

C. It is made in writing

D. It is posted

Correct Answer: A. It is accepted and communicated

Explanation: A contract is formed when a valid offer is accepted and communicated to the offeror.

8. An agent must not:

A. Be paid

B. Delegate his authority

C. Be competent

D. Be in writing

Correct Answer: B. Delegate his authority

Explanation: An agent cannot delegate authority unless expressly allowed or under necessity.

9. A minor's agreement is:

A. Voidable

B. Valid

C. Void ab initio

D. Enforceable with guardian's consent

Correct Answer: C. Void ab initio

Explanation: As per the ruling in Mohori Bibee v. Dharmodas Ghose, a minor's agreement is void from the beginning.

10. Which one of the following is not essential to constitute a bailment?

A. Delivery of possession

B. Ownership transfer

C. Contract

D. Purpose

Correct Answer: B. Ownership transfer

Explanation: Bailment involves transfer of possession, not ownership.