BLOGS

Practice Paper on Transfer of Property Act-Part II

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QUESTIONS

1. What is the validity of a transfer made in favor of a person with a fraudulent intention under the Act?

A. Absolutely valid, since fraud by recipient is irrelevant

B. Void ab initio

C. Valid unless challenged by a party prejudiced

D. Void only if proven in civil court

Correct Answer: C. Valid unless challenged by a party prejudiced

Explanation: Section 53 mentions that fraudulent transfers are voidable but not automatically nullified unless challenged by an affected party.

2. According to Section 35, what happens when a person benefiting from an instrument does not accept its burden?

A. The entire instrument is nullified

B. The benefit is revoked, and the burden is imposed

C. The benefit can be claimed, but not the burden

D. The benefit and burden must both fail

Correct Answer: D. The benefit and burden must both fail

Explanation: The principle of election under Section 35 dictates that a person cannot accept benefits of a document without also adhering to its burdens.

3. Under the Act, which of the following conditions voids a transfer?

A. When it is induced by fraud or coercion

B. When the transferor gains less than 50% of the value

C. Based on contingent events extending over 20 years

D. When partial possession is granted

Correct Answer: A. When it is induced by fraud or coercion

Explanation: Section 19 deems transfers made under fraud, coercion, or undue influence as void.

4. In which situation does the “doctrine of part-performance” apply under Section 53A?

A. When the transfer lacks written agreement but possession is given

B. If possession is delivered in advance without the agreement

C. If oral terms are agreed upon and possession follows

D. If the transferee, in part performance, acquires title despite defects

Correct Answer: A. When the transfer lacks written agreement but possession is given

Explanation: Section 53A protects a transferee if possession is delivered based on an enforceable contract, even if the deed is not registered.

5. According to the Act, which of the following constitutes a valid transfer of actionable claims?

A. Verbal agreement between transferor and transferee

B. Written assignment even in the absence of consideration

C. Delivery of the claim physically to the transferee

D. Written assignment without need for court approval

Correct Answer: D. Written assignment without need for court approval

Explanation: Section 130 mentions that actionable claims must be transferred via written instruments, and such transfers do not need court approval.

6. Under Section 58(e), what is the primary purpose of an “English Mortgage”?

A. Mortgagee’s possession during the term applies irrespective of default

B. Ownership is limited, conferring title to the mortgage by outright sale

C. Ownership is transferred with a condition pending redemption

D. Conveyance selectively contingent upon residual liens

Correct Answer: C. Ownership is transferred with a condition pending redemption

Explanation: In an English Mortgage, the property ownership passes to the mortgagee with a condition to retransfer upon debt repayment.

7. What does Section 7 of the Transfer of Property Act define?

A. Persons eligible to execute a lease

B. Competent persons who can affect a transfer

C. Conditions for absolute revocation of ownership

D. Factors related to conditional assignments

Correct Answer: B. Competent persons who can affect a transfer

Explanation: Section 7 stipulates that only persons competent to contract or authorized in law can transfer property.

8. When can the restriction imposed by Section 10 on restraining alienation NOT apply?

A. When reasonable restrictions are imposed for family welfare

B. When imposed by mutual owner agreements

C. When it’s part of a lease stipulation

D. When restraining alienation protects the public interest

Correct Answer: C. When it’s part of a lease stipulation

Explanation: Section 10 prohibits absolute restraint on alienation but allows reasonable restrictions, especially in the case of leases.

9. What is the key distinction under Section 8 between a transfer of land with a “right to future crops” and “timber”?

A. Only crops can pass by inheritance

B. Timber must be specifically excluded to ensure lawful alienation

C. Timber is considered immovable property, while crops are not

D. Crops can’t confer secondary real right for revenue surplus

Correct Answer: C. Timber is considered immovable property, while crops are not

Explanation: Section 8 differentiates crops (movable property) from timber, as timber forms part of immovable property when attached to soil.

10. When does transfer of an interest in property “by way of trust” fail under the Act?

A. If trustees hold inequitable apportionment over ultimate beneficiaries

B. When deemed succession mergers compete with residual assignees

C. When trusteeship bypasses future contempt conditions affixed broadly

D. When the object or purpose of trust is uncertain

Correct Answer: D. When the object or purpose of trust is uncertain

Explanation: As per Section 6, a trust cannot operate if its objects remain vague, forming incomplete operative assignments unprotected legally.

Check out Questions on Transfer of Property- Part I