BLOGS

Practice Questions on Sale of Goods Act for CLAT PG 2026

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1. Which of the following is NOT a condition for a contract to be considered a "contract of sale" under the Sale of Goods Act, 1930?

A) Involves transfer of property in goods

B) Involves consideration in money

C) Must be in writing

D) Involves at least two parties

Correct Answer: C) Must be in writing

Explanation: Under Section 4 of the Sale of Goods Act, a contract of sale can be made in writing, by word of mouth, or implied from conduct. There is no requirement that it must be in writing.

2. Which of the following best describes the term "goods" under the Sale of Goods Act?

A) Only movable tangible property

B) Both movable and immovable property

C) Movable property including actionable claims

D) Movable property excluding money and actionable claims

Correct Answer: D) Movable property excluding money and actionable claims

Explanation: As per Section 2(7), "goods" means every kind of movable property, other than actionable claims and money. This includes stock, shares, growing crops, grass, and things attached to or forming part of the land which are agreed to be severed.

3. In a contract of sale, the property in the goods passes to the buyer when:

A) The goods are delivered to the buyer

B) The goods are paid for by the buyer

C) The parties intend it to pass

D) The contract is signed

Correct Answer: C) The parties intend it to pass

Explanation: Section 19 of the Act states that the property in the goods passes to the buyer at the time the parties intend it to pass. Their intention is ascertained from the terms of the contract, conduct, and circumstances.

4. Which of the following is an implied condition under a contract of sale?

A) Buyer will resell the goods

B) Goods will be sold at a profit

C) Goods shall be of merchantable quality

D) Buyer shall take insurance of the goods

Correct Answer: C) Goods shall be of merchantable quality

Explanation: Section 16 of the Act provides for an implied condition that goods shall be of merchantable quality if sold by description and the seller deals in goods of that description.

5. Which case laid down the principle of caveat emptor in the sale of goods?

A) Carlill v. Carbolic Smoke Ball Co.

B) Donoghue v. Stevenson

C) Chandelor v. Lopus

D) Balfour v. Balfour

Correct Answer: C) Chandelor v. Lopus

Explanation: The doctrine of caveat emptor (let the buyer beware) was established in Chandelor v. Lopus, where the court held the seller was not liable for a non-functional bezoar stone because no warranty was given.

6. Under the Sale of Goods Act, a “sale” and an “agreement to sell” differ mainly on:

A) Time of delivery

B) Transfer of property

C) Payment terms

D) Nature of goods

Correct Answer: B) Transfer of property

Explanation: In a sale, the property in goods is transferred to the buyer immediately. In an agreement to sell, the transfer takes place at a future time or on fulfillment of conditions (Section 4).

7. What is the effect of destruction of goods before the contract is made, without the knowledge of the seller?

A) Contract is valid and enforceable

B) Contract is voidable

C) Contract is void

D) Contract can be modified

Correct Answer: C) Contract is void

Explanation: Under Section 7 of the Act, if the goods perished before the contract was made and the seller was unaware, the contract is void due to impossibility of performance.

8. Which section of the Sale of Goods Act deals with "Unpaid Seller's Lien"?

A) Section 47

B) Section 44

C) Section 45

D) Section 49

Correct Answer: A) Section 47

Explanation: Section 47 provides the right of lien to an unpaid seller who is in possession of goods and hasn't received full payment or credit has expired.

9. Which of the following rights is not available to an unpaid seller?

A) Right of lien

B) Right of resale

C) Right to sue for price

D) Right to destroy the goods

Correct Answer: D) Right to destroy the goods

Explanation: An unpaid seller has rights such as lien (Sec 47), stoppage in transit (Sec 50), resale (Sec 54), and to sue for price or damages. Destruction of goods is not a legal right.

10. In which of the following situations will the doctrine of nemo dat quod non habet not apply?

A) Sale by a thief

B) Sale by a non-owner without consent

C) Sale by a mercantile agent

D) Sale by a stranger to the goods

Correct Answer: C) Sale by a mercantile agent

Explanation: Section 27 embodies the principle of nemo dat quod non habet (no one gives what they do not have), but exceptions include sale by mercantile agents acting within their authority (Section 27 proviso), where the buyer acquires a good title.