BLOGS

MCQs on Bailment under Contract Law: PART I

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1. Bailment is defined under which section of the Indian Contract Act, 1872?

a) Section 148

b) Section 172

c) Section 124

d) Section 182

Answer: a) Section 148

Explanation: Section 148 defines bailment as the delivery of goods for some purpose, under a contract, to be returned when the purpose is accomplished.

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

a) Bailee

b) Bailor

c) Pledger

d) Trustee

Answer: b) Bailor

Explanation: The bailor is the person who delivers the goods to another (bailee) for a specific purpose.

3. Which of the following is not an essential element of bailment?

a) Delivery of goods

b) Consideration must always be paid

c) Purpose of delivery

d) Return of goods after purpose

Answer: b) Consideration must always be paid

Explanation: Bailment may be gratuitous or for consideration; consideration is not mandatory.

4. Delivery of goods in bailment can be:

a) Actual only

b) Constructive or symbolic as well

c) Only by handing over keys

d) Only by personal delivery

Answer: b) Constructive or symbolic as well

Explanation: Delivery may be actual, constructive, or symbolic (e.g., handing over keys to a warehouse).

5. Which of the following is gratuitous bailment?

a) Leaving clothes at a dry cleaner for washing

b) Depositing jewellery in a bank locker

c) Lending a book to a friend without charge

d) Leaving a car in a paid parking lot

Answer: c) Lending a book to a friend without charge

Explanation: Gratuitous bailment occurs when goods are delivered without any reward or consideration.

6. Bailee's duty to take care of goods is similar to:

a) Owner's duty towards his own goods

b) Trustee's duty towards beneficiaries

c) Pledger's duty towards pawned goods

d) No such duty exists

Answer: a) Owner's duty towards his own goods

Explanation: A bailee must take as much care as a reasonable owner would take of his own goods.

7. If goods are lost due to slight negligence of bailee, who bears the loss?

a) Bailor

b) Bailee

c) Both equally

d) Insurance company

Answer: b) Bailee

Explanation: The bailee is liable for loss if he fails to take reasonable care.

8. Which of these is not a right of a bailee?

a) To receive agreed remuneration

b) To sue third parties for wrongful deprivation of goods

c) To use goods for personal benefit without consent

d) To retain goods for charges due

Answer: c) To use goods for personal benefit without consent

Explanation: The bailee cannot use the goods for personal purposes unless agreed by the bailor.

9. Finder of goods is treated as:

a) Owner

b) Bailee

c) Agent

d) Trustee

Answer: b) Bailee

Explanation: A finder of goods is deemed a bailee with duties to take reasonable care and return goods to the true owner.

10. Lien of a bailee is lost when:

a) Bailee retains goods for charges due

b) Goods are delivered back voluntarily

c) Bailee gives notice of lien

d) Charges are unpaid

Answer: b) Goods are delivered back voluntarily

Explanation: Once goods are voluntarily delivered to the bailor, the bailee loses the right of lien.