BLOGS

Questions on Contract Law for CLAT 2026- Part II

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1. A makes a contract with B to sell his car for ₹5 lakh. Unknown to both, the car had been destroyed in a fire an hour before the contract. What is the legal effect of the agreement?

A. The contract is voidable at the option of B.

B. The contract is void due to a bilateral mistake.

C. The contract is valid as per Section 20.

D. The contract is illegal.

Answer: B.

Explanation: According to Section 20 of the Indian Contract Act, 1872, a contract is void when both parties are under a mistake of fact essential to the agreement. Here, both A and B were unaware that the subject matter (the car) no longer existed. This is a bilateral mistake of fact, making the contract void.

2. Which of the following constitutes a valid offer under the Indian Contract Act?

A. A statement of intention to sell goods in future.

B. A newspaper advertisement about upcoming discounts.

C. A proposal communicated to a specific person with terms of performance.

D. An internal decision to sell a house, uncommunicated.

Answer: C.

Explanation: An offer or proposal under Section 2(a) must be communicated to another person and should indicate a willingness to do or abstain from doing something with a view to obtaining the assent of that other. Only Option C satisfies this requirement. Others are either general invitations or uncommunicated intentions.

3. Which one of the following is NOT considered a valid consideration under Indian Contract Law?

A. Past services done at promisor's request.

B. Future promise to act.

C. Something done without the promisor's request.

D. An act done simultaneously with the promise.

Answer: C.

Explanation: As per Section 2(d), consideration must be at the desire of the promisor. Any act or abstinence done voluntarily or without such desire is not valid consideration. Thus, Option C is invalid. Past and future acts requested by the promisor are acceptable.

4. A minor misrepresents his age and borrows money to buy a car. He refuses to repay. What is the legal position?

A. The contract is valid and enforceable.

B. The minor must return the car and repay the money.

C. The contract is void, and restitution may be granted only to the extent of benefit traced.

D. The minor is liable in tort.

Answer: C.

Explanation: Under Section 11, minors are incompetent to contract and any contract with them is void ab initio. However, if a benefit is traced and subsists, courts may allow restitution (return of the benefit) to prevent unjust enrichment, but not full enforcement of the contract.

5. What is the effect of an agreement made under coercion?

A. It is void.

B. It is voidable at the option of the party whose consent was obtained by coercion.

C. It is unenforceable.

D. It is valid unless proven in court.

Answer: B.

Explanation: Under Section 19, a contract induced by coercion (as defined under Section 15) is voidable at the option of the party whose consent was obtained by coercion. The party can choose to affirm or rescind the contract.

6. An agreement restraining a person from marrying for life is:

A. Valid as it is personal liberty.

B. Void under Section 26.

C. Voidable.

D. Enforceable if in writing.

Answer: B.

Explanation: Section 26 of the Contract Act declares agreements in restraint of marriage (excluding minors) as void. A restraint for life is an absolute restraint and hence, void ab initio.

7. A agrees to pay B ₹10,000 if B does not marry for the next 5 years. Is this agreement valid?

A. Yes, because it is partial restraint.

B. No, because it is in restraint of marriage.

C. Yes, because B accepted it.

D. No, because it is against public policy.

Answer: B.

Explanation: Even a partial restraint of marriage is void under Section 26. The law upholds the freedom to marry, and agreements curtailing this right are void regardless of duration or acceptance.

8. When does an agreement become a contract?

A. When there is an offer and acceptance.

B. When there is consideration.

C. When it is enforceable by law.

D. When it is in writing.

Answer: C.

Explanation: As per Section 2(h) of the Indian Contract Act, an agreement becomes a contract only when it is enforceable by law. Mere offer and acceptance do not constitute a contract unless the law recognizes and enforces it.

9. A contract which ceases to be enforceable by law becomes:

A. Valid.

B. Voidable.

C. Void.

D. Illegal.

Answer: C.

Explanation: According to Section 2(j), a contract that was once enforceable but ceases to be enforceable due to some supervening impossibility or change in law becomes void.

10. An agreement to commit a crime is:

A. Voidable.

B. Illegal and void ab initio.

C. Valid but not enforceable.

D. Void for uncertainty.

Answer: B.

Explanation: Agreements with unlawful objects or considerations (e.g., to commit a crime) are illegal and void ab initio under Section 23 of the Indian Contract Act. Courts do not enforce such agreements and even collateral transactions may be tainted.