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BLOGS

Practice Questions on Indian Contract Act for CLAT 2026

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1. A lien is the right to:

a) Sell goods in possession without notice

b) Retain possession of goods until a debt is paid

c) Transfer ownership of goods to another person

d) Use the goods for personal benefit

Answer: b) Retain possession of goods until a debt is paid

2. A particular lien applies to:

a) Any unpaid debts of the owner

b) Only those specific goods on which charges are due

c) All goods held by a creditor

d) Movable as well as immovable property

Answer: b) Only those specific goods on which charges are due

3. Which of the following persons does NOT have a general lien under the Indian Contract Act?

a) Bankers

b) Wharfingers

c) Carriers

d) A tenant of leased property

Answer: d) A tenant of leased property

4. A general lien allows a person to retain:

a) Only specific goods related to the unpaid charges

b) Any goods belonging to the debtor until any debt is repaid

c) Goods and claim ownership over them

d) Possession of goods for an unlimited period

Answer: b) Any goods belonging to the debtor until any debt is repaid

5. The right of lien is lost when:

a) The goods are damaged

b) The goods are returned voluntarily

c) The debtor refuses to pay

d) The lien holder takes legal action

Answer: b) The goods are returned voluntarily

6. A lease differs from a bailment because:

a) It transfers only temporary possession

b) It involves permanent transfer of ownership

c) It is not governed by any contract

d) It does not require the payment of consideration

Answer: a) It transfers only temporary possession

7. A lessee has the right to:

a) Sell the leased property

b) Sub-lease the property unless prohibited by contract

c) Alter the leased property without permission

d) Refuse to pay rent under any circumstances

Answer: b) Sub-lease the property unless prohibited by contract

8. The lease agreement is terminated if:

a) The lessee decides to stop paying rent

b) The leased property is destroyed

c) The lessee moves to another city

d) The lessor increases the rent

Answer: b) The leased property is destroyed

9. If a lessee does not vacate the premises after the lease term expires, it results in:

a) Creation of a new lease automatically

b) Illegal possession and eviction proceedings

c) Transfer of ownership to the lessee

d) Cancellation of the original lease contract

Answer: b) Illegal possession and eviction proceedings

10. The duty of the lessor in a lease contract includes:

a) Charging rent higher than market rates

b) Giving the lessee absolute ownership rights

c) Ensuring the lessee enjoys peaceful possession

d) Forcing the lessee to purchase the property

Answer: c) Ensuring the lessee enjoys peaceful possession