BLOGS

Practice Questions on the Transfer of Property Act- Part II

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Practice Questions on Transfer of Property Act for CLAT PG 2026. Test your knowledge on the concept of lessor and lessee under the Act.

QUESTIONS

1. A lease is distinguished from a license under Indian law primarily based on:

A. The duration of occupation

B. Payment of rent

C. Transfer of interest in property

D. Written documentation

Answer: C. Transfer of interest in property

Explanation: A lease transfers an interest in immovable property to the lessee, whereas a license only permits lawful use without creating any interest. This distinction is foundational (Section 105, Transfer of Property Act).

2. Which of the following conditions is *not essential* for the formation of a valid lease under Indian law?

A. Exclusive possession to the lessee

B. Fixed or periodic term

C. Written agreement signed by both parties

D. Consideration in the form of premium or rent

Answer: C. Written agreement signed by both parties

Explanation: A written lease is mandatory only when the lease exceeds one year, as per Section 107 of the Transfer of Property Act. For shorter leases, oral agreements are valid.

3. If a lease is executed for 5 years but not registered, it will be treated as:

A. Void ab initio

B. License

C. Lease from month to month

D. Lease for 5 years nonetheless

Answer: C. Lease from month to month

Explanation: According to Section 106 of the Transfer of Property Act, an unregistered lease exceeding 1 year is ineffective and the law presumes it to be a monthly lease if possession is given.

4. Under Section 108 of the Transfer of Property Act, a lessee is entitled to terminate the lease if:

A. The lessor increases rent

B. The lessee is not in possession

C. The property is destroyed due to fire

D. The term of lease is less than 6 months

Answer: C. The property is destroyed due to fire

Explanation: Section 108(e) provides that if the property is destroyed due to fire or act of God, making it substantially unfit for use, the lessee may void the lease.

5. If a lessee continues in possession after the lease term ends and the lessor accepts rent, it results in:

A. Adverse possession

B. New lease

C. Tenancy at will

D. Holding over

Answer: D. Holding over

Explanation: Under Section 116, this is called holding over. If the lessor consents (express or implied) to continued possession, a new tenancy arises—month to month or year to year.

6. A lease executed by a person without authority is:

A. Void

B. Voidable at the instance of the lessee

C. Valid until challenged

D. Enforceable if ratified by the owner

Answer: D. Enforceable if ratified by the owner
Explanation: A contract made without authority is void unless ratified by the principal or owner, per the Contract Act and general agency principles.

7. The lessee's right to remove fixtures installed during the lease:

A. Does not exist under Indian law
B. Exists only if contract permits
C. Exists if fixtures were put up for beneficial enjoyment and removed before surrender
D. Is absolute regardless of the agreement

Answer: C. Exists if fixtures were put up for beneficial enjoyment and removed before surrender
Explanation: Section 108(h) allows a lessee to remove fixtures they erected for their enjoyment before lease termination, provided no damage is caused to the property.

8. Under the Transfer of Property Act, the lease for agricultural or manufacturing purposes is presumed to be:

A. Monthly lease
B. Yearly lease
C. Lease at will
D. Void unless registered

Answer: B. Yearly lease
Explanation: Section 106 provides that lease for agriculture/manufacturing purposes is presumed to be yearly, unless stated otherwise, and must be terminated with 6 months' notice.

9. When the lessee assigns the leasehold interest without the consent of the lessor (when required), the lease:

A. Automatically becomes void
B. Terminates immediately
C. Can be terminated by the lessor
D. Is converted into a license

Answer: C. Can be terminated by the lessor
Explanation: Section 108(j) states that assignment without lessor's consent, if prohibited by the

lease, gives the lessor a right to re-enter or terminate, but the lease doesn't become void automatically.

10. In case of eviction by a third party with superior title, the lessee may:

A. Demand rent refund only

B. Sue for damages only

C. Repudiate the lease and seek damages

D. File a criminal complaint against the lessor

Answer: C. Repudiate the lease and seek damages

Explanation: If lawful possession is disturbed by someone with better title, the lessee may repudiate the lease and claim damages (Section 108(b)).