



QUESTION BANK

B u s i n e s s L a w

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BUSINESS LAW

UNIT I

One Marks

1. Which of the following legal ideas serves as the foundation for the majority of commercial contracts and describes a promise given by one party in return for the promise of the other party?

- a) Unilateral Contract b) Void Contract
- c) Consideration d) Quasi Contract

2. A legal agreement is defined as follows in the Indian Contract Act, 1872:

- a) Contract b) Offer
- c) Acceptance d) Consideration

3. What is the maximum number of parties that the Indian Contract Act, 1872 allows to form a contract between?

- a) One b) Two
- c) Three d) Any number

4. Which of the following, according to the Indian Contract Act of 1872, is a necessary component for a valid contract?

- a) Invitation to treat

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- b) Consideration
- c) Memorandum of understanding
- d) Past consideration

5. What term is used in the Indian Contract Act, 1872, to characterize a contract where both parties have performed their contractual duties?

- a) Void contract
- b) Executed contract
- c) Voidable contract
- d) unilateral contract

6. What is the main source of mercantile law, which is made up of guidelines and precepts that the courts have established through rulings in specific cases?

- a) Legislation
- b) Custom
- c) Precedent
- d) Contract

7. Which Indian legislative body is in charge of enacting laws regarding topics included in the Union List?

- a) Lok Sabha
- b) Rajya Sabha
- c) State Legislature
- d) Parliament

8. What term refers to a legally binding contract that is enforceable by law between two or more parties?

- a) Agreement
- b) Contract
- c) Memorandum of Understanding
- d) Pact

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9. What is an agreement's primary distinction from a contract in relation to the Indian Contract Act of 1872?

- a) An agreement is oral, while a contract must be in writing.
- b) An agreement becomes a contract when it is accepted.
- c) An agreement is not legally binding, while a contract is enforceable by law.
- d) An agreement requires consideration, while a contract does not.

10. A contract is void in terms of contract law if it:

- a) Is not in writing.
- b) Is valid but not enforceable.
- c) Lacks free consent.
- d) Has only one party involved.

11. The Indian Contract Act of 1872 states that an agreement is void if it:

- a) Is not written on a stamp paper.
- b) Is made without consideration.
- c) Is against public policy.
- d) Is not registered with the government.

12. Which of the following, as per the Indian Contract Act of 1872, renders a contract void?

- a) Absence of witnesses.
- b) Lack of consideration.

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- c) Legal impossibility. d) Verbal communication.

13. Which kind of agreement—spoken orally or in writing—is clearly stated and accepted by both parties?

- a) Implied contract b) Unilateral contract
c) Executed contract d) Express contract

14. An example of a quasi-contract, or "contract implied in law," is as follows:

- a) When parties explicitly state their agreement.
b) Through the actions of the parties and the circumstances of the case.
c) Only in written form.
d) When there is no consideration.

15. What is a necessary condition for the Indian Contract Act, 1872, to consider a contract valid?

- a) Consideration
b) Offer and acceptance
c) Written agreement
d) Registration with authorities

16. What term does a party use to another, proposing that they are willing to enter into a contract, in the context of contract law?

- a) Acceptance b) Counteroffer
c) Invitation to treat d) Offer

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17. According to contract law, what is a required component of a legitimate offer?

- a) Consideration
- b) Intention to create legal relations
- c) Invitation to treat
- d) Meeting of the minds

18. A valid offer has to be one of the following:

- a) Accepted immediately.
- b) Communicated to the offeree.
- c) Made in writing.
- d) Witnessed by a notary public.

19. What phrase is used in contract law to characterize an acceptance of an offer that results in a legally binding agreement between the parties?

- a) Rejection
- b) Revocation
- c) Acceptance
- d) Counteroffer

20. In terms of contract law, when does an offer become voidable?

- a) When the offeror changes their mind.
- b) When the offeree communicates acceptance.
- c) When consideration is exchanged.
- d) When the offeror communicates withdrawal before acceptance.

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21. What does the term "consideration" mean in a legally binding contract?

- a) The monetary value of the contract.
- b) An exchange of promises between the parties.
- c) A gift given without expecting anything in return.
- d) The legality of the subject matter.

22. In a contract, what is the element wherein both parties gain something of value and suffer some legal consequences, resulting in a legally binding agreement?

- a) Bargain
- b) Offer
- c) Invitation to treat
- d) Consideration

23. An agreement voidable under the Indian Contract Act, 1872, because it involves actions forbidden by law is referred to as:

- a) Voidable agreement
- b) Illegal agreement
- c) Unenforceable agreement
- d) Executed agreement

24. What kind of acceptance is allowed under contract law?

- a) Silence
- b) A counteroffer
- c) Conduct indicating acceptance
- d) Conditional acceptance

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25. What distinguishing characteristic of a legitimate offer under contract law?

- a) It must be accepted immediately.
- b) It must be communicated to the offeror.
- c) It must be made in writing.
- d) It must involve consideration.

26. What term does contract law use to characterize a specific and unambiguous proposal that one party makes to another, indicating that party's intention to enter into a contract?

- a) Acceptance
- b) Invitation to treat
- c) Counteroffer
- d) Offer

27. In terms of contract law, which of the following best describes a legitimate offer?

- a) It must be accepted by a third party.
- b) It must be communicated to the offeree.
- c) It must be accepted immediately.
- d) It must involve consideration.

28. What does a void agreement mean legally?

- a) Enforceable
- b) Valid
- c) Invalid
- d) Voidable

29. When an offer is withdrawn or cancelled before it is accepted, what phrase is used to describe it?

- a) Acceptance
- b) Rejection

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- c) Revocation d) Counteroffer

30. What is the period of time within which an acceptance may be withdrawn or canceled before it becomes a legally binding agreement?

- a) Acceptance withdrawal
b) Revocation of acceptance
c) Rejection
d) Rescission

31. What term would one use to respond to an offer that rejects the original offer and replaces it with a new set of terms?

- a) Acceptance b) Counteroffer
c) Rejection d) Offer amendment

32. Which of the following terms best characterizes a legally binding contract that satisfies all necessary requirements?

- a) Void b) Valid
c) Unenforceable d) Voidable

33. What term is used to characterize a fully performed contract where all parties have fulfilled their obligations?

- a) Executed b) Valid
c) Voidable d) Unenforceable

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34. What term is used to characterize an agreement that is binding and valid but that either party may terminate for particular legal grounds?

- a) Executed b) Voidable
- c) Valid d) Unenforceable

35. Law is either private law or _____ law.

- a) Public b) Private
- c) Local d) Family

36. Which of the following result in an offer-?

- a) A declaration of intention
- b) An invitation to offer
- c) An advertisement offering reward to anyone who finds lost dog of the advertise
- d) An offer made in a joke

37. The individual putting forth the proposal is known as the, and the individual accepting it is known as:

- a) Proposor/ Proposee b) Promisee/ Promisor
- c) Promisor/Promisee d) Proposee/ Proposor

38. All promises, both individual and collective, that constitute mutual consideration are referred to as:

- a) A voidable contract b) A contract
- c) A void contract d) An agreement

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39. How many parties are there to a Promissory note?

- a) Two parties b) One party
- c) Four party d) Three parties

40. A minor can be a _____?

- a) Surety b) Agent
- c) Partner d) All of these

41. Public Law is divided into _____ categories?

- a) Three b) Four
- c) Two d) None of these

41. What is an agreement that results from coercion, fraud, and misrepresentation?

- a) Voidable b) partially void
- c) valid d) all of these

42. An agreement enforceable by law is:

- a) A voidable contract b) Void
- c) A contract d) A void contract

43. An agreement which is enforceable by law at the option of other or others is:

- a) A contract b) A voidable contract
- c) Void d) A void contract

44. The Act is titled as follows and addresses issues related to the contract:

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- a) The Contract Act, 1872
- b) The Indian Contract Act, 1872
- c) The Indian Contract Act, 1882
- d) The Indian Contract Act, 1972

45. A contract which ceases to be enforceable by law becomes void when it ceases to be:

- a) Void
- b) Voidable
- c) Enforceable
- d) Unenforceable

46. On April 25, 1872, the Indian Contract Act, 1872 was passed and became operative on:

- a) 1st May, 1872
- b) 1st September, 1872
- c) 1st October, 1872
- d) 1st November, 1872

47. With the minor, an agreement was made. This understanding is:

- a) Void
- b) Voidable
- c) Bad
- d) Illegal

48. The agreements which are in restraint of trade are;

- a) Valid
- b) Illegal
- c) Void
- d) Voidable

49. The consideration must be:

- a) Adequate
- b) Must be adequate
- c) Need not be adequate
- d) Substantially adequate

a minor's agreement is

a) Voidable

b) Voidable

c) Void

d) Unlawful

_____ is the term for someone who

a) Represent another person

b) Represent another person

c) Represent another person

d) Represent another person

_____ is the term for someone who

a) Represent another person

b) Represent another person

c) Represent another person

d) Represent another person

a) Legal b) Illegal
c) Void d) Voidable

a) Revocation
c) Rejection of offer by offeree

b) Counter Offer
d) All of these

a) Void ab initio b) Voidable
c) Valid d) Unlawful

a) Attorney b) Authorized person
c) Representative d) Delegate

a) Sole promisor b) Joint promisor
c) Primary promisor d) Collective promisor

a) Delegation b) Novation

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- c) Assignment d) Substitution

56. What is the term for the rights or advantages that one party has under a contract and can assign to another party?

- a) Contractual obligations b) Legal duties
c) Contractual rights d) Performance liabilities

57. Once contractual obligations are fulfilled and the parties are released from their respective duties, what term is used to describe this?

- a) Termination b) Discharge
c) Revocation d) Nullification

58. With everyone's approval, which word refers to adding a new party to a contract in place of one of the original parties?

- a) Assignment b) Delegation
c) Novation d) Subrogation

59. What term refers to the process of ending a contract and putting the parties back in the positions they were in prior to the agreement's formation?

- a) Rescission b) Revocation
c) Renunciation d) Restitution

60. What term refers to an unauthorized alteration or change to a contract's terms that affects the validity of the agreement?

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- | | |
|--------------|-----------------|
| a) Amendment | b) Alteration |
| c) Revision | d) Modification |

61. What term is used to describe the automatic termination of a contract due to legal principles, without the need for the parties' actions?

- a) Rescission
- b) Discharge by agreement
- c) Discharge by operation of law
- d) Novation

Answer: c) Discharge by operation of law

62. A breach of contract can be of _____
breach

- | | |
|---------------|------------------|
| a) Discharged | b) Illegal |
| c) Void | d) None of these |

62. What term refers to the process of ending a contract and putting the parties back in the positions they were in prior to the agreement's formation?

- | | |
|----------------|------------------|
| a) Abandonment | b) Revocation |
| c) Rescission | d) Nullification |

63. is voidable contract?

- | | |
|---------------------------|-------------------------|
| a) Partly valid agreement | b) An illegal agreement |
| c) All of these | d) None of these |

64. A Contract can be signed between

- | | |
|----------------|-------------------|
| a) Individuals | b) Legal Entities |
|----------------|-------------------|

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- c) All of the above A and B d) None of these

65. Which one of the following is the agreement that is not enforceable by law is?

- a) Valid agreement b) Void agreement
c) Voidable agreement d) None of above

66. All commercial agreements:

- a) are legally binding
b) are not legally binding
c) are legally binding if made in accordance with the provision of the law
d) are legally binding even if no party intends so.

67. A contract with the government must be

- a) a contract b) agreement
c) reciprocal promise d) none of the above

68. when an offer is made to a definite person , it is known as

- a) general offer b) cross offer
c) counter offer d) special offer

69. A cross offer means :

- a) sending identical offers by two parties to each other in ignorance.
b) conditional acceptance
c) an offer made to public at large

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d) all the above

70. On acceptance of a proposal, the person making the proposal becomes

- a) promise b) promisor
- c) proposer d) acceptor

71. An express offer means:

- a) an offer made by letter
- b) an offer made by telephone
- c) an offer made by e-mail
- d) all the above

72. A promise is

- a) a valid offer b) a contract
- c) an accepted offer d) a valid agreement

73. An offer to sell his car on internet, it is

- a) express offer b) implied offer
- c) particular offer d) no offer

74. The communication of offer is complete

- a) when it is put into the course of transmission
- b) when it comes to the knowledge of the person to whom it is made.
- c) when it is sent to the person to whom it is made.
- d) in all the above cases.

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75. A restraint by trade combination is valid if it
- a) is not in restraint of trade
 - b) is in the interest of its member as well as in the public interest
 - c) does not create monopoly
 - d) fulfils all of the above

Answers

1.c, 2.a, 3.d, 4b, 5.b, 6.c, 7.d, 8.b, 9.c, 10.c, 11.c, 12.c, 13.d, 14.b, 15.b, 16.d, 17.b, 18.b, 19.c, 20.d, 21.b, 22.d, 23.b, 24.c, 25.b, 26.d, 27.b, 28.c, 29.c, 30.b, 31.b, 32.b, 33.a, 34.b, 35.a, 36.c, 37.c, 38.d, 39.d, 40.b, 41.a, 42.c, 3.b, 44.b, 45.a, 46.b, 47.a, 48.c, 49.c, 50.c, 51.a, 52.a, 53.b, 54.b, 55.c, 56.c, 57.b, 58.c, 59.a, 60.b, 61.c, 62.c, 63.d, 64.c, 65.b, 66.c, 67.c, 68.d, 69.a, 70.b, 71.d, 72.c, 73.a, 74.b, 75.d.

Five Marks

1. Discuss the essential elements of a valid contract under the Indian Contract Act, 1872.
2. Differentiate between Void and Voidable contracts?
3. Define contract. Explain essential elements of a valid contract.
4. Define proposal also explain different legal rules relating to it with the help of a case law.

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5. Differentiate between illegal and unenforceable contracts?
6. Difference between Void and Illegal Agreement?
7. Differentiate between Proposal and Invitation to offer?
8. How communication of an offer or acceptance complete and how and is when their revocation are made, explain?
9. Define acceptance. What are the rules for a valid acceptance.
10. Explain the different aspects of contract "based on formation"
11. Explain Discharge of contract "impossibility of performance".
12. What are the acceptions to discharge of contract?
13. State and explain the consequences of "breach of contract".
14. An agreement enforceable by law is contract, comment?
15. When can an offer and its acceptance be revoked? Give examples
16. What are the circumstances under which an offer will lapse?
17. Write a note on Quasi Contracts?
18. What are the different types of offer?
19. When is communication of offer and its acceptance complete? Give example

20. Define “Contract of Guarantee”, Surety”, “Principal debtor”, and “Creditor”. What are the nature of liabilities under Contracts of Indemnity and Guarantee?
21. Distinguish an unlawful agreement from an illegal agreement
22. What are the different remedies for "breach of contract?
23. Explain different types of offer.
24. What is offer? Explain the legal rules for an offer.
25. Explain contract of indemnity.

Ten Marks

1. Explain in detail the difference between a Valid, Voidable and Void contract and give an example for each type of contract.
2. Define and explain the concept of offer and acceptance.
3. Explain the classification of contracts.
4. Describe the essentials of a valid contract
5. What is a contract? Discuss the essentials of a valid contract.
6. Explain role of communication, acceptance and revocation of proposals in the formation of valid contract.
7. Discuss rules regarding communication of an offer and acceptance.

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8. Explain the legal rules relating to a valid offer
9. Explain revocation of offer and acceptance
10. Discuss the important rules regarding a valid acceptance
11. Explain source of mercantile law
12. Explain the implied conditions in a contract of sale.



UNIT II

One Marks

1. If A survives C, A and B agree to purchase B's horse. This is _____.
a) a Quasi-contract b) a Void contract
c) a Contingent contract d) a Conditional contract
2. An insurance contract is _____.
a) Contingent contract b) Wagering agreement
c) Unenforceable contract d) Void contract
3. If the promisor's will alone determine the contingent, it would be
a) valid b) void
c) illegal d) depends on the circumstances
4. A life insurance contract that is subject to future event performance is classified as _____.
a) Contract of Indemnity b) Contract of Guarantee
c) Contingent Contract d) Special type of Contract
5. Which of the following does not need to be included in a wagering agreement?
a) Insurable interest
b) Uncertain event
c) Mutual chances of gain or loss

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d) Neither party to have control over the event

6. A contract that is contingent on a future, uncertain event occurring may be enforced in the following circumstances:

- a) Happens
- b) Does not happen
- c) Does not become an impossible
- d) Both (a) & (c)

7. A contract that is subject to the occurrence of an unforeseen future event expires

- a) if the event becomes impossible
- b) should the event occur
- c) should the event not occur
- d) not mentioned above.

8. In the event of an impossibility, contingent contracts to do or not to do anything include

- a) Valid
- b) Void
- c) Voidable
- d) Illegal

9. Contingent goods belong to _____ goods?

- a) Existing
- b) Future
- c) Contingent
- d) Valid

10. In a contingent contract which event is contingent _____.

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- a) Main event b) Collateral event
c) Both (a) & (b) d) None of the above.

11. As per the Indian Contract Act, 1872, section 70, an individual who gains from the labor of another is obliged to compensate the benefactor for the services provided, given that the benefactor's intention was:

- a) Gratuitous b) Non-gratuitous
c) To create legal relations d) None of these

12. The contract uberrimae fidei means a contract _____.

- a) Of goodwill b) Guaranteed by a surety
c) Of utmost good faith d) Of good faith

13. A finder can sell the goods if:

- a) the goods are ascertained
b) the goods are un-ascertained
c) the goods are valuable
d) the goods are perishable

14. While A owes B ₹ 1,000, the Limitation Act prevents A from collecting the debt. Regarding the debt, A gives written assurance to B for ₹ 500. It's this

- a) Valid contract b) Voidable contract
c) Void contract d) Unenforceable agreement

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15. A contract of personal nature can be performed by:

- a) The promisor
- b) The agent
- c) The legal representative
- d) None of the above.

16. Liability of the joint promisor is

- a) Joint
- b) Several
- c) Joint and several
- d) None of the above

17. Agreement by way of wager are

- a) valid and enforceable by law
- b) void
- c) voidable at the option of party
- d) illegal

18. A and B contract to marry each other before the time fixed for the marriage. A goes mad. The contract becomes:

- a) Void
- b) Voidable
- c) Unenforceable
- d) None of these

19. In the event that a contract is founded on the parties' mutual trust or skill, the passing of one of them would

- a) Puts an end to the contract
- b) Does not terminate the agreement;
- c) The surviving parties may be held accountable for fulfilling the terms

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d) None of these

20. Each party to the agreement must _____ in order to change or revoke the Agreement

- a) Denial b) Consensus
- c) Modification d) Revocation

21. What term is used to characterize a nominal sum of money granted to a party that has experienced a technical breach of contract but has not experienced appreciable actual Losses?

- a) Compensatory damages b) Nominal damages
- c) Punitive damages d) Liquidated damages

22. In a contract, what term refers to the predetermined and agreed-upon amount of damages meant to make up for a specific kind of breach?

- a) Compensatory damages b) Liquidated damages
- c) Nominal damages d) Punitive damages

23. If there is no written contract in place, what legal theory gives a party the right to fair compensation for the goods or services they have rendered?

- a) Quantum Leap b) Quantum Meruit
- c) Quantum Satis d) Quantum Estoppel

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24. What is the official phrase for someone who finds lost or abandoned property and plans to give it back to its rightful owner?

- a) Custodian b) Finder of goods
- c) Possessor d) Keeper of property

25. What term is used to describe a contract in which the performance and enforceability depend on the occurrence of a specific event?

- a) Unilateral contract b) Executed contract
- c) Contingent contract d) Valid contract

26. What defines a contingent contract?

- a) A contract with uncertain terms
- b) A contract dependent on the occurrence of a specific event
- c) A contract without legal consequences
- d) A contract with fixed obligations

27. What characterizes a contingent contract?

- a) Fixed obligations b) Uncertain terms
- c) Immediate performance d) Unilateral nature

28. Which type of contract is dependent on the occurrence of a specific event for its enforcement?

- a) Executed contract b) Unilateral contract
- c) Contingent contract d) Valid contract

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29. What type of contract is conditional upon the happening or non-happening of a specific event?

- a) Executed contract b) Unilateral contract
- c) Contingent contract d) Voidable contract

30. In a contingent contract, what factor determines the enforceability of the contract?

- a) Time of performance
- b) Mutual agreement
- c) Occurrence of a specific event
- d) Written documentation

31. What distinguishes a contingent contract?

- a) Fixed obligations b) Uncertain event
- c) Immediate performance d) Verbal agreement

32. Which type of contract is conditional upon the occurrence or non-occurrence of a specific event?

- a) Unilateral contract b) Contingent contract
- c) Executed contract d) Voidable contract

33. What characteristic defines a contingent contract?

- a) Fixed obligations
- b) Dependent on a specific event
- c) Immediate performance
- d) Verbal agreement

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34. What term is used to describe the fulfillment of obligations by parties in a contract?

- a) Execution b) Performance
- c) Validity d) Offer

35. What is the term for the fulfillment of contractual obligations by the parties involved?

- a) Execution b) Performance
- c) Acceptance d) Consideration

36. Which term refers to the act of fulfilling contractual obligations by the parties involved?

- a) Execution b) Performance
- c) Ratification d) Consideration

37. What term is used to describe a definite and clear proposal made by one party to another, indicating a willingness to enter into a contract?

- a) Acceptance b) Invitation to treat
- c) Valid offer d) Consideration

38. Who is the individual obligated to fulfill the terms of a contract?

- a) Offeror b) Offeree
- c) Promisor d) Promisee

is used to refer to multiple persons who intend to make a promise to fulfill a certain obligation.

a) Joint promise
b) Joint promise
c) Joint promise
d) Collective promise

on behalf of a deceased person who is incapable of managing their own affairs.

a) Promisor

b) Promisee

d) Offeree

a) Promisor

b) Promisee

d) Mediator

a) Sole promisor

b) Joint promisor

d) Collective promisor

a) Guardian

b) Executor

d) Attorney

a) Compensation

b) Restitution

d) Injunction

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44. What legal term describes a situation where a court imposes an obligation on one party to prevent unjust enrichment, even in the absence of a formal contract?

- a) Implied contract
- b) Quasi contract
- c) Expressed contract
- d) Executed contract

45. What legal term refers to a fictional contract imposed by a court to prevent unjust enrichment, even when there is no actual agreement between the parties?

- a) Implied contract
- b) Quasi contract
- c) Executed contract
- d) Express contract

46. What term describes the act of repaying or compensating someone for expenses or losses incurred on their behalf?

- a) Restitution
- b) Compensation
- c) Reimbursement
- d) Indemnification

47. What term refers to a duty or commitment that one party is bound to fulfill, often arising from a contract, law, or moral duty?

- a) Commitment
- b) Liability
- c) Obligation
- d) Responsibility

48. An agreement to do an impossible act is

- a) void
- b) voidable

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c) illegal

d) enforceable

49. Contract of insurance are

a) uncertain agreements

b) contingent agreement

c) wagering agreement

d) none of these

50. X contracts to pay Y Rs. 1,00,000 of Y's house is burnt. This is a

a) wagering agreement

b) voidable

c) void agreement

d) contingent contract

51. An uncertain agreement is

a) illegal

b) valid

c) void

d) voidable

52. The following contracts are contingent contract

a) contract of insurance

b) contract of guarantee

c) contract to deliver goods on receipt from the factory

d) both a) and b)

53. A tender of performance is valid if it is

a) unconditionally

b) by an able and willing person

c) for whole obligation

d) all the above

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54. An attempted performance discharge the promisor from his liability

- a) to deliver the goods b) to pay the price
- c) to pay any damages d) above a and c

55. Tender of performance means

- a) tender for supply of goods
- b) offering performance of promise under a contract
- c) attempted performance
- d) actual performance

56. Sale of goods for cash is an example of

- a) mutual and independent promises
- b) mutual and dependent promises
- c) mutual and concurrent promises
- d) conditional and dependent promises

57. When a valid tender of goods is not accepted it is called

- a) actual performance b) attempted performance
- c) no performance d) discharge of contract

58. Personal actions dies with the person. This rule means that the promise must be performed by

- a) the promisor himself
- b) the legal representatives of the promisor
- c) the agent of the promisor
- d) any other person

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59. when two or more persons have made a joint promise then unless a contrary intention appears from the contract, all such persons must fulfill promise

- a) jointly b) jointly and severally
- c) severally d) jointly or severally

60. Assignment by operation of law takes place

- a) only in case of death of any party
- b) only in case of insolvency of any party
- c) in case of death / insolvency of any party
- d) none of these

61. Actionable claims can

- a) never be assigned
- b) always be assigned by an instrument in writing
- c) none of these
- d) always be assigned orally

62. Each party is a promisor and a promisee in case of

- a) past consideration b) every contract
- c) present consideration d) reciprocal promises

63. A quasi contract arises from

- a) contract by the parties b) principle of equity
- c) laws of the land d) status of persons.

64. The right under quasi contract is available against

- a) specific persons only

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- b) specific person and the whole world
- c) the whole world
- d) none of these

65. Quasi contract is also known as

- a) contract implied in law b) implied contract
- c) unintentional contract d) both a and c

66. A person who makes payment of money on behalf of another is entitled to be reimbursed

- a) when the person making the payment has interest in making the payment
- b) when the person on whose behalf he pays the money is bound by law to pay
- c) when the person receiving the payment is legally entitle to receive
- d) when all the above conditions are satisfied

67. Discharge of contract means

- a) Performing the promise by a party
- b) discharge of obligation under a contract by a party
- c) discharge or performance of obligation under a contract by a party to it
- d) performing or extinguish obligation under a contract by all the parties .

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68. A contract is discharged by alteration:

- a) when a new contract is substituted for the existing on.
- b) when a or more of the terms of contract are changed.
- c) when a party waives his rights under the contract.
- d) when a party rescinds the contract.

69. a contract is discharged by remission:

- a) when a party waives all his rights under a contract.
- b) when a party cancels an existing contract.
- c) when a party accepts lesser performance in discharge of a whole obligation.
- d) when a party makes novation of a contract.

70. Agreement does not become void where initial impossibility is :

- a) known to both the parties
- b) to promisor only
- c) unknown to both the parties
- d) none of these

71. A contract is discharged by breach when a party to a contract

- a) refuses to perform his promise
- b) fails to perform his promise
- c) disables himself from performing his part of the promise
- d) does any of the above

a) alteration b) rescission
c) waiver d) remission

a) is discharged b) becomes void
c) is not discharged d) becomes voidable

a) performance
b) waiver
c) rescission
d) alteration

a) void ab initio
b) void
c) voidable at the option of the plaintiff
d) illegal

Answer: a) void ab initio

a) is void
b) is voidable

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- c) is void ab initio
- d) becomes void when impossibility is discovered

Answers

1.c, 2.a, 3.b, 4.c, 5.a, 6.a, 7.a, 8.b, 9.b, 10.b, 11.b,
12.c, 13.d, 14.a, 15.a, 16.c, 17.b, 18.a, 19.a, 20.b,
21.b, 22.b, 23.b, 24.b, 25.c, 26.b, 27.b, 28.c, 29.c,
30.c, 31.b, 32.b, 33.b, 34.b, 35.b, 36.b, 37.c, 38.c,
39.a, 40.a, 41.b, 42.c, 43.d, 44.b, 45.b, 46.c, 47.c,
48.a, 49.b, 50.d, 51.c, 52.d, 53.d, 54.d, 55.b, 56.c,
57.d, 58.a, 59.a, 60.c, 61.b, 62.d, 63.b, 64.a, 65.d,
66.d, 67.d, 68.b, 69.c, 70.b, 71.d, 72.d, 73.c, 74.a,
75.a, 76.a.

Five Marks

1. What do you understand by anticipatory breach of contract?
2. Give the rules regarding minor's agreement?
3. Define a contingent contract and provide two examples illustrating the concept.
4. Discuss the key elements that distinguish contingent contracts from other types of contracts.
5. Explain the significance of uncertainty and future events in the formation and performance of contingent contracts.

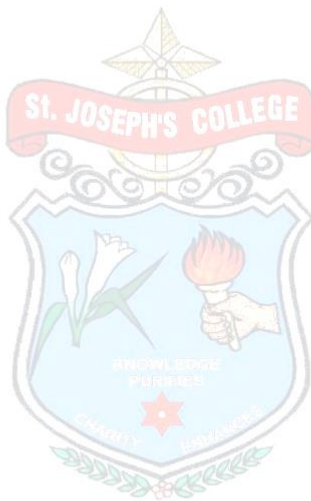
6. What is meant by performance of the contract?
Who can perform the performance under contract?
7. List the rules regarding the reciprocal promises and explain any two of them.
8. Write brief essay on discharge of a contract by performance
9. Mention various mode of discharge of contract. Also explain any one of them.
10. Discuss the types of breach of contract.
11. Explain the following in the context of consent for contract discharge by agreement.
12. Explain Quasi-contracts. What are the contractual Obligations?

Ten Marks

1. Discuss the various modes of discharge of contract.
2. Discuss the provisions in the Indian Contract Act 1872 in respect of quasi-contracts.
3. How are the damages for breach of contract determined?
4. Explain the types and consequences of breach of contract.
5. What are the rules relating to assignment of contract?
6. When is a contract terminated by operation of law?
7. What do you understand by novation? What is the difference between alteration and novation?

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8. Distinguish between actual breach and anticipatory breach of contract.
9. Explain the conditions of a valid offer to perform.
10. Explain the devolution of joint liabilities.
11. Discuss the remedies for breach of contract.
12. Explain the types of damages.



UNIT III

One Marks

1. The person in respect of whose default, the guarantee is given is called
 - a) Principal debtor
 - b) principal creditor
 - c) principal surety
 - d) principal bailee
2. In contract of indemnity how many parties are required ?
 - a) 4
 - b) 6
 - c) 7
 - d) 2
3. The guarantee of single transaction is
 - a) general guarantee
 - b) continuous guarantee
 - c) implied guarantee
 - d) none of these
4. Which type of guarantee is given for series of transaction ?
 - a) general guarantee
 - b) implied guarantee
 - c) continuous guarantee
 - d) general and continuous guarantee
5. The person to whom the guarantee is given is called

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- a) creditor b) debtor
c) surety d) third party
6. The contract of Guarantee should be
a) Implied b) only written
c) only oral d) written or oral
7. Liability of surety is
a) secondary liability b) preliminary liability
c) subsidiary liability d) co-related liability
8. In contract of indemnity must be for
a) five parties
b) agreement without consideration
c) implied consideration
d) lawful consideration and object
9. Who is protected under the contract of guarantee ?
a) guarantor b) creditor
c) third person d) debtor
10. Whose consent is necessary in the contract of guarantee ?
a) Surety b) Creditor
c) Debtor d) All the above

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11. On whose default, the promise of discharge of liability is given in contract of guarantee?

- a) Principal debtor b) Subsidiary debtor
- c) Principal guarantor d) All above

12. How many parties are there in contract of guarantee?

- a) One b) At will
- c) Three d) Two

13. The contract of guarantee is for protection of

- a) creditor b) debtor
- c) guarantor d) none of these

14. A continuing guarantee applies to:

- a) a specific transaction
- b) a specific number of transactions
- c) all transactions of specific transaction series
- d) reasonable number of transactions.

15. The surety stands discharged:

- a) by revocation
- b) by death
- c) by variance in terms of the contract without his consent
- d) in (a), (b) & (c) above.

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16. Under the contract of guarantee, a creditor:

- a) has to avail his remedies first against the principal debtor
- b) can avail his remedies against the principal debtor as well as the surety
- c) can avail his remedy against the surety alone
- d) both (b) & (c).

17. Surety stands discharged:

- a) by an agreement between the creditor and the principal debtor
- b) by an agreement between the creditor & a third party for not to sue the principal debtor
- c) both (a) & (b) above
- d) neither (a) nor (b).

18. Under a contract of guarantee:

- a) if principal debtor is not liable, guarantor is not liable
- b) if principal debtor is not liable, guarantor is liable
- c) if principal debtor is liable, guarantor is liable
- d) all the above.

19. In a contract of guarantee:

- a) there are two parties and one contract
- b) there are two parties and two contracts
- c) there are three parties & three contracts
- d) there are three parties & one contract.

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20. In case of co-sureties, release of one surety by the creditor:

- a) amounts to discharge of other sureties
- b) does not amount to discharge of other sureties
- c) amounts to discharge of the surety so released vis-a-vis co-sureties as well
- d) none of the above.

21. On payment or performance of the liability, the surety:

- a) is invested with all the rights the creditor had against the principal debtor
- b) is entitled to every security which the creditor has against the principal debtor
- c) is entitled to be indemnified by the principal debtor
- d) all the above.

22. What is the primary purpose of an indemnity?

- a) Profit generation
- b) Risk transfer
- c) Asset acquisition
- d) Market expansion

23. In an indemnity, who typically provides compensation in case of loss?

- a) Indemnifier
- b) Indemnatee
- c) Guarantor
- d) Beneficiary

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24. Which of the following is a characteristic of an indemnity?
- a) It is a promise to perform
 - b) It involves a third party
 - c) It is a one-sided contract
 - d) It is always time-bound
25. What is the main purpose of a guarantee?
- a) Risk avoidance
 - b) Debt repayment
 - c) Loss compensation
 - d) Asset transfer
26. In a guarantee, who undertakes the responsibility for the debtor's obligations?
- a) Guarantor
 - b) Creditor
 - c) Indemnifier
 - d) Trustee
27. Which type of contract involves a promise to compensate for losses or damages?
- a) Guarantee
 - b) Warranty
 - c) Indemnity
 - d) Surety
28. What is the key element in an indemnity contract?
- a) Consideration
 - b) Offer and acceptance
 - c) Compensation
 - d) Mutual consent
29. In an indemnity, when does the obligation to compensate arise?
- a) Before the loss occurs

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- b) After the loss occurs
- c) Simultaneously with the loss
- d) Only if the loss is severe

30. What type of guarantee is commonly used in financial transactions?

- a) Personal guarantee
- b) Corporate guarantee
- c) Specific guarantee
- d) Continuing guarantee

31. Which party benefits from a guarantee?

- a) Guarantor
- b) Creditor
- c) Indemnifier
- d) Debtor

32. In an indemnity, what is the typical limit of liability?

- a) Unspecified
- b) Limited by law
- c) Equal to the loss suffered
- d) Double the loss suffered

33. What distinguishes a contract of indemnity from a contract of insurance?

- a) Involvement of premium payments
- b) Presence of a third party
- c) Nature of the risks covered
- d) Length of the contract

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34. What is a common feature of both indemnity and guarantee?

- a) They are always bilateral contracts
- b) They involve the transfer of ownership
- c) They are risk management tools
- d) They are only verbal agreements

35. Which of the following is NOT a type of guarantee?

- a) Personal guarantee
- b) Corporate guarantee
- c) Unilateral guarantee
- d) Continuing guarantee

36. What is a continuing guarantee?

- a) A guarantee with no specified end date
- b) A guarantee for a single transaction
- c) A guarantee involving multiple guarantors
- d) A guarantee provided by a corporation

37. Which party in an indemnity agreement bears the risk of loss or damage?

- a) Indemnifier
- b) Indemnatee
- c) Guarantor
- d) Beneficiary

38. What type of guarantee remains in force until revoked by the guarantor?

- a) Specific guarantee
- b) Continuing guarantee

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- c) Corporate guarantee d) Unilateral guarantee

39. What is the key difference between a guarantee and a warranty?

- a) The parties involved
- b) The nature of the obligation
- c) The duration of the contract
- d) The level of compensation

40. What is the legal requirement for a valid indemnity contract?

- a) Written agreement b) Verbal agreement
- c) Presence of witnesses d) Public announcement

41. What is the effect of breach of warranty in an indemnity contract?

- a) Termination of the contract
- b) Right to claim damages
- c) Automatic renewal of the contract
- d) Change in the indemnity amount

42. In a corporate guarantee, who provides the guarantee on behalf of the company?

- a) CEO b) Shareholders
- c) Board of Directors d) Legal department

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43. What is a key consideration in determining the enforceability of a guarantee?

- a) The guarantor's age
- b) The adequacy of consideration
- c) The debtor's reputation
- d) The length of the guarantee

44. Which legal principle is often associated with indemnity contracts?

- a) Caveat emptor
- b) Uberrimae fidei
- c) Res ipsa loquitur
- d) Stare decisis

45. The term "Bailment" means

- a) A delivery of a thing entrusted for some special purpose or object upon a contract
- b) Delivery of goods free of cost
- c) Delivery of goods without cost for welfare of public
- d) None of above

46. In pledge contract, bailee is called

- a) Pawnor
- b) Pawnee
- c) Pledger
- d) None of above

47. In pledge, bailor is called

- a) Pawnor
- b) Pawnee
- c) Both (a) and (b)
- d) None of above

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48. The Bailment of goods as security for payment of a debt or performance of a promise is called:

- a) Pledge
- b) Bailment
- c) Contingent contract
- d) Agreement

49. Bailment means

- a) temporary delivery of goods
- b) permanent delivery of goods
- c) part delivery of goods
- d) None

50. In the contract of bailment the person delivering the goods is called

- a) bailor
- b) bailee
- c) seller
- d) agent

51. Lien means

- a) to retain goods in his possession
- b) rights to sell the goods
- c) right to purchase the goods
- d) right to destroy the goods

52. The person to whom goods are delivered temporarily is

- a) bailee
- b) bailor
- c) purchaser
- d) user

of goods is subject to the
as that of a

a) bailor
b) purchaser
c) owner
d) none

a) Bailee b) Bailor
c) Bailment d) Person

a) faults the goods b) price of goods
c) weight of goods d) owner of goods

a) lien b) purchase
c) succession d) none

a) bailee
b) bailor
c) surety
d) purchaser

a) pledge b) bailment
c) mortgage d) none of these

a) pledge b) bailment
c) mortgage d) None of these

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59. The pledge is a contract of

- a) bailment b) agency
- c) guarantee d) mortgage

60. An agreement reached between a bailer and a bailee is

- a) Mortgage b) Bailout
- c) Bailment d) Codicil

61. A person who finds the goods belonging to others and takes them into his possession is called

- a) Bailee b) Bailor
- c) Pledgor d) Pawnee

62. Which are the rights of finder of goods

- a) Rights of lien b) Right to sue for reward
- c) Right to sale d) All of the above

63. The bailment of goods as security for payment of a debt or performance of a promise

- a) Pledge b) Lien
- c) Agency d) Bailment

64. Pledgee is also known as

- a) Pawnee b) Pawnor
- c) Principal d) Agent

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65. Pledger is also known as

- a) Pawnor b) Pawnee
- c) Bailor d) Agent

66. The term bailment is derived from a French word “bailor”, which means:

- a) Depends b) Deliver
- c) Selling d) Buying

67. The person delivering the goods for achieving some purpose and returned the same after completion is called

- a) Bailee b) Pledgee
- c) Bailor d) Agent

68. The person who delivered the goods for bailment process is called

- a) Bailee b) Bailor
- c) Pawnor d) Pawnee

69. When No consideration passes between the bailor and bailee, it is called

- a) Non gratuitous bailment b) Gratuitous bailment
- c) Special bailment d) Conditional bailment

70. Choose the correct one; Duties of bailor

- a) To return the goods

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- b) To disclose known faults
- c) Not to set up an adverse title
- d) To return any accretion to the goods

71. Right of a person to retain possession of some goods belonging to another until some debts of the person in possession is satisfied

- a) Pledge
- b) Bailment
- c) Lien
- d) Guarantee

72. A gives B two suitcases to store for him while he is at a meeting. What is the correct relationship between A and B.

- a) A is the bailee and B is the bailor
- b) A is the bailor and B is the bailee
- c) A and B are both bailees
- d) A and B are both Bailor

73. Which of the following is not an example of bailment

- a) A coat check
- b) Valet parking
- c) Dry cleaning
- d) A gift given on birthday

74. An example of bailment without a contract is ——

- a) Giving a vehicle in a workshop for repair
- b) Giving something in courier
- c) Finder of the lost goods
- d) None of these.

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75. A finder of goods is

- a) Entitled to retain the goods
- b) Entitled to claim compensation when specific reward is offered
- c) Not entitled to claim compensation and thus not entitled to retain the goods
- d) Both (A) and (B)

76. Which of the following are the rights of bailee?

- a) Right of indemnity
- b) Right of remuneration
- c) Right of lie
- d) All the above.

77. Which of the following are the rights of bailor?

- a) Right to demand restoration of goods
- b) Right to get increase or profit from goods bailed
- c) Right to sue the bailee for the enforcement of the duties imposed upon a bailee
- d) All the above

78. Which of the following is not an example of bailment?

- a) Giving clothes for dry-cleaning
- b) Keeping property in mortgage
- c) Giving clothes for tailoring
- d) Giving book for reading

upon to pay
the date for the same
t in which a person prom
bility of another person in
n , is now as a
act b) contra
indemnity d) none

a) creditor b) principal debtor

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- c) surety d) indemnifier

84. A who purchased certain goods from B by a misrepresentation pledges them with C. the pledge is

- a) valid b) void
c) voidable d) invalid

85. A gratuitous bailment is one which is

- a) supported by consideration
b) not supported by consideration
c) not enforced by law
d) void

86. The delivery of goods by one person to another as security for the repayment of a debt is known as

- a) bailment b) hypothecation
c) pledge d) mortgage

87. the bailment of goods can be made by its owner of

- a) immovable goods b) movable goods
c) both of these d) none of these

88. A lent his bike to his friend for 2 days without any charges. It is a

- a) hypothecation b) non gratuitous bailment
c) gratuitous bailment d) beneficial bailment

Answers

1.a, 2.d, 3.a, 4.c, 5.a, 6.d, 7.a, 8.d, 9.b, 10.d, 11.a, 12.c,
13.a, 14.c, 15.c, 16.a, 17.a, 18.c, 19.d, 20.b, 21.a, 22.b,
23.a, 24.c, 25.a, 26.a, 27.c, 28.c, 29.b, 30.b, 31.b, 32.a,
33.c, 34.c, 35.c, 36.a, 37.a, 38.b, 39.b, 40.a, 41.b, 42.c,
43.b, 44.b, 45.a, 46.b, 47.a, 48.a, 49.a, 50.a, 51.a 52.a,
53.a, 54.a, 55.a, 56.a, 57.a, 58.a, 59.a, 60.c, 61.a, 62.d,
63.a, 64.a, 65.a, 66.b, 67.c, 68.b, 69.b, 70.b, 71.c,
72.b, 73.d, 74.c, 75.d, 76.d, 77.d, 78.b, 79.b, 80.b,
81.b, 82.b, 83.c, 84.a, 85.b, 86.c, 87.b, 88.c.

Five Marks

1. Distinguish between indemnity and guarantee.
2. Explain the rights of a surety against the creditor.
3. What are the characteristics of a contract of indemnity?
4. Discuss the term "continuing guarantee" how can it be revoked.
5. Explain the rights if the indemnity holder.
6. Explain the essentials of a valid guarantee
7. What are the rights of bailor?
8. What are the rights of bailee?
9. What are the duties of bailor?
10. What are the duties of bailee?
11. Distinguish between general lien and particular lien
12. What are the rights of a finder of goods?

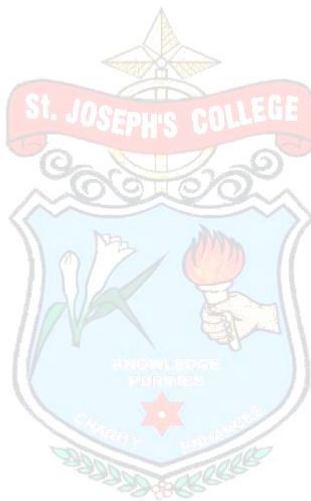
13. What are the essential features of a valid pledge?
14. Distinguish between bailment and pledge.
15. How do you classify the guarantee? Give suitable examples.
16. What are the classifications of bailment?
17. What is lien and types of lien.
18. Explain the rights of Pawnee.
19. Explain the rights of the pawnor.
20. Define pledge. What are the essential of a valid pledge?

Ten Marks

1. Explain the circumstance in which bailment can be terminated
2. Enumerate the duties and rights of a finder of goods.
3. What are rights of a surety against the principal debtor and creditor?
4. Distinction between a contract of indemnity and a contract of guarantee.
5. Discuss the different modes of discharge of surety.
6. Explain the essential elements of a bailment.
7. What are the duties of bailee and bailor
8. What are the rights of bailee and bailor.
9. Explain the termination of bailment
10. What is pledge and the rights of pawnee and pawnor.

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11. What are the rights of a surety against the principal debtors and creditor?



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5. What type of authority is derived from the agent's position or title within an organization?

- a) Actual authority b) Apparent authority
- c) Implied authority d) Ostensible authority

6. A person authorized to perform a specific act or transaction on behalf of the principal is known as:

- a) Universal agent b) Special agent
- c) General agent d) Gratuitous agent

7. Which type of agent has authority to act on behalf of the principal in a broad range of matters?

- a) Limited agent b) General agent
- c) Special agent d) Sub-agent

8. An agent with authority to act on behalf of the principal in all matters is called:

- a) Universal agent b) Limited agent
- c) General agent d) Sub-agent

9. In agency law, what does the term "gratuitous agent" refer to?

- a) An agent with no authority
- b) An agent who works without compensation
- c) A dishonest agent
- d) A minor acting as an agent

10. What is a sub-agent in the context of agency relationships?

- a) An agent who reports to the principal
- b) An agent appointed by another agent
- c) An agent with unlimited authority
- d) An agent who works internationally

11. Which type of authority arises when a principal leads a third party to believe that an agent has certain powers?

- a) Actual authority
- b) Apparent authority
- c) Ostensible authority
- d) Implied authority

12. What is the term for an agent who has the authority to make decisions on behalf of the principal in a specific area of business?

- a) General agent
- b) Limited agent
- c) Universal agent
- d) Apparent agent

13. What type of agent is typically involved in real estate transactions on behalf of the principal?

- a) Special agent
- b) General agent
- c) Universal agent
- d) Gratuitous agent

14. What is the primary distinction between an employee and an independent contractor acting as an agent?

- a) Employment status
- b) Compensation structure

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- c) Level of authority d) Personal liability

15. In agency law, what does "ratification" refer to?

- a) The creation of an agency relationship
b) The approval of an agent's unauthorized actions by the principal
c) The termination of the agency relationship
d) The disclosure of the agency relationship to third parties

16. What type of authority is expressly given to an agent in written or verbal form?

- a) Actual authority b) Implied authority
c) Apparent authority d) Ostensible authority

17. What is the term for an agent who is authorized to act on behalf of the principal in specific, ongoing matters?

- a) Special agent b) General agent
c) Universal agent d) Apparent agent

18. Which type of agent has authority to handle all matters related to a specific business or trade?

- a) Special agent b) General agent
c) Universal agent d) Limited agent

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19. In agency law, what does "implied authority" refer to?

- a) Authority explicitly stated in the agency agreement
- b) Authority derived from the agent's position or title
- c) Authority inferred from the agent's actions and the circumstances
- d) Authority granted to a sub-agent

20. What is the term for an agent who is authorized to perform a single, specific act on behalf of the principal?

- a) General agent b) Special agent
- c) Universal agent d) Gratuitous agent

21. What is the primary duty of an agent towards the principal?

- a) Loyalty b) Loyalty and disclosure
- c) Obedience d) Confidentiality

22. Which type of authority is created when a principal's words or conduct lead a third party to believe that an agent has certain powers?

- a) Actual authority b) Apparent authority
- c) Ostensible authority d) Implied authority

23. What type of authority is not expressly granted by the principal but is necessary to carry out the agent's express authority?

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- a) Actual authority b) Implied authority
- c) Apparent authority d) Ostensible authority

24. Which of the following is a duty that an agent owes to the principal?

- a) Duty to third parties
- b) Duty to act in the agent's best interest
- c) Duty to disclose information
- d) Duty to compete with the principal

25. What is the term for a situation where a principal is bound by an agent's unauthorized actions if the principal later accepts or affirms those actions?

- a) Ratification b) Estoppel
- c) Express authority d) Implied authority

26. What is the primary duty of an agent towards the principal?

- a) Loyalty b) Obedience
- c) Confidentiality d) Accountability

27. What right does a principal have to terminate an agency relationship?

- a) Right to compensation
- b) Right to revoke authority
- c) Right to demand loyalty
- d) Right to unlimited agency duration

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28. What duty does a principal owe to an agent regarding compensation?

- a) Duty to provide compensation
- b) Duty to provide benefits
- c) Duty to provide a bonus
- d) Duty to provide time off

29. Which right allows a principal to expect an agent to act within the scope of their authority?

- a) Right to revoke authority
- b) Right to compensation
- c) Right to control
- d) Right to terminate the contract

30. What is the duty of an agent to inform the principal of all relevant information concerning the agency?

- a) Duty of loyalty
- b) Duty of disclosure
- c) Duty of obedience
- d) Duty of competence

31. What right does a principal have to require an agent to follow their instructions?

- a) Right to compensation
- b) Right to control
- c) Right to terminate
- d) Right to delegation

32. What is the primary duty of a principal to an agent concerning reimbursement of expenses?

- a) Duty to provide unlimited reimbursement

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- b) Duty to provide timely reimbursement
- c) Duty to withhold reimbursement
- d) Duty to deny reimbursement

33. Which right allows a principal to expect an agent to act in their best interest?

- a) Right to loyalty
- b) Right to termination
- c) Right to compensation
- d) Right to revocation

34. What duty does a principal owe to an agent to compensate for any losses suffered during the agency?

- a) Duty to indemnify
- b) Duty to terminate
- c) Duty to delegate
- d) Duty to control

35. In the context of agency, what is the term for the agent's authority to act on behalf of the principal?

- a) Right of delegation
- b) Power of attorney
- c) Right of revocation
- d) Right of compensation

36. What is the right of the principal to end the agency relationship at any time, for any reason?

- a) Right to loyalty
- b) Right to compensation
- c) Right to termination
- d) Right to indemnification

37. What is the term for the agent's authority to make decisions on behalf of the principal in specific matters?

- a) Express authority
- b) Implied authority

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- c) Apparent authority d) Ostensible authority

38. What duty does a principal owe to an agent to provide a safe working environment?

- a) Duty of loyalty
b) Duty to delegate
c) Duty to indemnify
d) Duty to provide a safe workplace

39. What right allows a principal to expect an agent to perform the duties outlined in the agency agreement?

- a) Right to compensation b) Right to loyalty
c) Right to control d) Right to termination

40. What duty does a principal owe to an agent concerning the confidentiality of information?

- a) Duty to disclose b) Duty to loyalty
c) Duty to provide benefits d) Duty to delegate

41. What is the term for a situation where a principal is bound by an agent's unauthorized actions if the principal later accepts or affirms those actions?

- a) Ratification b) Estoppel
c) Express authority d) Implied authority

42. What is the right of the agent to be reimbursed for expenses incurred during the course of agency duties?

- a) Right to control b) Right to indemnification

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c) Right to compensation d) Right to revocation

43. What duty does a principal owe to an agent to provide the necessary tools and resources for the job?

- a) Duty to reimbursement
- b) Duty to delegation
- c) Duty to provide a safe workplace
- d) Duty to provide benefits

44. What is the right of an agent to act on behalf of the principal in matters that are not explicitly addressed in the agency agreement?

- a) Right to control
- b) Right to compensation
- c) Right of delegation
- d) Right of incidental authority

45. What duty does a principal owe to an agent regarding third-party interactions?

- a) Duty to disclosure b) Duty to loyalty
- c) Duty to terminate d) Duty to withhold information

46. What is the term for a situation where a principal is prevented from denying the authority of an agent due to their own actions?

- a) Ratification b) Estoppel
- c) Express authority d) Implied authority

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47. What right allows a principal to demand that an agent perform their duties with reasonable skill and care?

- a) Right to control b) Right to indemnification
- c) Right to compensation d) Right to delegation

48. What is the term for the agent's authority to take actions necessary to accomplish the tasks expressly delegated to them?

- a) Express authority b) Implied authority
- c) Apparent authority d) Ostensible authority

49. What right allows a principal to expect an agent to keep information confidential and not disclose it to third parties?

- a) Right to control b) Right to loyalty
- c) Right to compensation d) Right to termination

50. What duty does a principal owe to an agent to ensure that the agent's actions comply with legal requirements?

- a) Duty to indemnify b) Duty to terminate
- c) Duty to delegate d) Duty to comply with the law

51. Who is the party that authorizes an agent to act on their behalf in an agency relationship?

- a) Third party b) Sub-agent
- c) Principal d) Grantee

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52. In agency law, what term is used for a person or entity with whom the agent interacts on behalf of the principal?

- a) Delegate b) Sub-agent
- c) Third party d) Principal-in-fact

53. What is the term for a person appointed by an agent to perform tasks on behalf of the agent, with the principal's consent?

- a) Sub-agent b) Principal-in-fact
- c) Delegate d) Appointee

54. When does a principal become bound by the actions of their agent in relation to third parties?

- a) Only with written consent
- b) Only when the principal is present
- c) When the agent acts within the scope of their authority
- d) When the agent acts independently

55. What term is used to describe a situation where a principal is responsible for the actions of their agent, even if the agent exceeds their authority?

- a) Ratification b) Implied authority
- c) Vicarious liability d) Delegation

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56. In an agency relationship, what duty does a third party owe to the principal?

- a) Duty of loyalty b) Duty of disclosure
- c) Duty of compensation d) Duty of obedience

57. What term refers to a situation where a principal is legally bound by the acts of their agent, even if the agent lacked authority?

- a) Ratification b) Estoppel
- c) Implied authority d) Ostensible authority

58. If an agent exceeds their authority, which party may be held liable for the agent's actions?

- a) Principal
- b) Third party
- c) Sub-agent
- d) No one, the agent is solely responsible

59. What is the term for a person who is not a party to the agency relationship but may be affected by the actions of the agent?

- a) Sub-agent b) Third party
- c) Principal d) Appointee

60. In the context of agency, what term is used for a person who is not disclosed to the third party but whose existence is known to the third party?

- a) Unidentified principal b) Undisclosed principal

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- c) Unknown principal d) Unacknowledged principal

61. What is the primary method of terminating an agency relationship?

- a) Revocation b) Compensation
c) Indemnification d) Ratification

62. In agency law, what is the term for the voluntary relinquishment of authority by an agent?

- a) Abandonment b) Termination
c) Revocation d) Rescission

63. When does an agency relationship terminate by operation of law?

- a) When the principal is unhappy
b) When the agent resigns
c) When the purpose of the agency is fulfilled
d) When the agent wants to terminate

64. What is the term for the termination of an agency relationship due to the death of the principal or agent?

- a) Expiration
b) Termination by mutual agreement
c) Termination by operation of law
d) Termination by death

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65. In what situation does agency termination by impossibility occur?

- a) When the agent resigns
- b) When the principal revokes authority
- c) When the agent becomes incapacitated
- d) When the agent completes the assigned task

66. What type of agency termination occurs when the agent fails to meet their duties or violates the agency agreement?

- a) Termination by impossibility
- b) Termination for cause
- c) Termination by mutual agreement
- d) Termination by operation of law

67. When does an agency relationship terminate by mutual agreement?

- a) When the agent completes a task
- b) When both parties agree to end the relationship
- c) When the principal revokes authority
- d) When the agent resigns

68. What type of termination occurs when the principal fails to fulfill their obligations to the agent?

- a) Termination by operation of law
- b) Termination by impossibility
- c) Termination for cause
- d) Termination due to abandonment

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69. In agency law, what is the term for the termination of an agency relationship by the completion of a specific task?

- a) Termination for cause
- b) Termination by operation of law
- c) Termination by accomplishment
- d) Termination by revocation

70. What is the term for the termination of an agency relationship due to the bankruptcy of either the principal or the agent?

- a) Termination by mutual agreement
- b) Termination by operation of law
- c) Termination for cause
- d) Termination by abandonment

71. An agency comes to an end:-

- a) By performance of contract
- b) By agreement between the principal and the agent
- c) By renunciation of his authority by the agent
- d) All of the above

72. An agency is irrecoverable:

- a) Where the authority of agency is one coupled with interest
- b) Where the agent has incurred personal liability
- c) Both (a) and (b)
- d) None of the above

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73. The liability of pretended agent is known as ____
a) liability by holding out b) liability created by law
c) liability by rectification d) liability of relation

74. To create an agency is not required
a) principal b) agent
c) consideration d) None of the above

75. To whom the agent is responsible?
a) Contractor b) None of these
c) Sub Agent d) Principal

76. Who creates the contractual relation between two parties?
a) Principal b) Co-Agent
c) Broker d) Agent

77. A person employed to do and represent is called
a) principal b) servant
c) agent d) owner

78. agents get extra remuneration.
a) General Agent b) Broker
c) Sub Agent d) del credere

79. Who can become an agent?
a) Minor b) Both Minor & Adult

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- c) Adult person d) Dead person

80. On whose insolvency the agency is terminated?

- (a) Sub agent
(b) Del credere
(c) Agent
(d) Principal

81. Which Guarantee is given by del credere agent ?

- a) Solvency of purchaser b) Solvency of Agent
c) Own Solvency d) Solvency of seller

82. _____ authorizes the agent to do all acts on behalf of principal

- a) Special power of attorney
b) Particular Power of attorney
c) General power of attorney
d) All of the above

83. The power of attorney is an example of agency by _____

- a) Express Agreement b) Implied agreement
c) Ratification d) special agreements

84. In case of ratification, the principal must ratify _____

- a) Part transaction based on necessity
b) the agreement of agency

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- c) whole transaction
- d) the third party about agency

85. _____ means to give full consent or approval to an act which was originally done without authority

- a) Estoppel b) Ratification
- c) Holding out d) Express agency

86. The consideration in case of Contract of Agency

- _____
- a) can be past, present, future b) Need not be adequate
 - c) Need to be real d) Not Essential

87. An agent who is appointed to sell a house is

- _____
- a) General agent b) Special agent
 - c) Mercantile agent d) Non mercantile Agent

88. If there is no agreement an agent is

- a) not entitled to any remuneration
- b) entitled to reasonable remuneration
- c) entitled to remuneration which he thinks reasonable
- d) entitled to remuneration which the principal thinks reasonable

89. Where the agent contracts for a principal who is not competent to contract in such case the agent is

- a) Personally liable b) non personally liable

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- c) exceeding authority d) none of these

Answers

1.a, 2.a, 3.b, 4.d, 5.c, 6.b, 7.b, 8.a, 9.b, 10.b, 11.c, 12.b,
13.a, 14.a, 15.b, 16.a, 17.a, 18.b, 19.c, 20.b, 21.b,
22.b, 23.b, 24.c, 25.a, 26.a, 27.b, 28.a, 29.c, 30.b,
31.b, 32.b, 33.a, 34.a, 35.b, 36.c, 37.a, 38.d, 39.c,
40.b, 41.a, 42.b, 43.a, 44.d, 45.a, 46.b, 47.a, 48.b,
49.b, 50.d, 51.c, 52.c, 53.a, 54.c, 55.c, 56.b, 57.b, 58.a,
59.b, 60.b, 61.a, 62.a, 63.c, 64.d, 65.c, 66.b, 67.b, 68.c,
69.c, 70.b, 71.d, 72.c, 73.a, 74.c, 75.d, 76.c, 77.c,
78.d, 79.b, 80.d, 81.a, 82.c, 83.a, 84.c, 85.b, 86.d,
87.b, 88.b, 89.a.

Five Marks

1. Distinction between an agent and a servant.
2. Distinction between sub agent and substituted agent.
3. Explain the extent of an agent's authority.
4. What are the circumstance in which an agent is personally liable?
5. When is an agent personally liable?
6. Explain irrevocable agency.

Ten Marks

1. Explain the duties of an agent

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2. Explain different modes of creation of agency.
3. What is ratification and rules regarding a valid ratification?
4. Explain the classification of agents.
5. Explain the rights of an agent.
6. Discuss the extent of agent's authority.
7. Explain the various modes of termination of agency.
8. What is agency by ratification? Explain the requisites of valid ratification.



UNIT V

One Marks

1. At what point does the property transfer from the seller to the buyer in a sale?
 - a) Upon agreement
 - b) Upon delivery of goods
 - c) Upon payment
 - d) Upon signing the contract
2. In an agreement to sell, when does the property transfer from the seller to the buyer?
 - a) Upon agreement
 - b) Upon delivery of goods
 - c) Upon payment
 - d) Upon signing the contract
3. Which of the following is a characteristic of a sale?
 - a) Immediate transfer of ownership
 - b) Conditional transfer of ownership
 - c) Transfer of ownership upon payment
 - d) Transfer of ownership upon delivery
4. What type of contract is formed when there is an agreement to sell, but the actual sale will take place at a later date?
 - a) Sale contract
 - b) Agreement to sell

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- c) Conditional sale d) Executed contract

5. A sale, what is the consideration for the transfer of property?

- a) Agreement b) Price
c) Delivery d) Offer

6. When does the risk of loss transfer from the seller to the buyer in a sale?

- a) Upon agreement
b) Upon payment
c) Upon delivery of goods
d) Upon signing the contract

7. Which party retains ownership in an agreement to sell until the conditions are fulfilled?

- a) Seller b) Buyer
c) Both share ownership d) Third party

8. What is the primary distinguishing factor between a sale and an agreement to sell?

- a) Price b) Delivery of goods
c) Transfer of ownership d) Signing the contract

9. In an agreement to sell, what is the effect if the buyer fails to fulfill the conditions for the sale?

- a) Immediate transfer of ownership
b) Transfer of ownership upon payment

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- c) Ownership remains with the seller
- d) Ownership is shared between buyer and seller

10. What is the legal term for the document that evidences the sale of goods between the buyer and the seller?

- a) Receipt
- b) Invoice
- c) Contract
- d) Bill of sale

11. Which party is bound to deliver the goods in a contract of sale?

- a) Buyer
- b) Seller
- c) Both buyer and seller
- d) Third party

12. What is the term for a contract in which the goods are sold with an understanding that they can be returned if they do not meet the buyer's satisfaction?

- a) Sale on approval
- b) Sale or return
- c) Sale by sample
- d) Sale by description

13. In a sale, what is the implied condition that the goods are fit for the purpose for which they are sold?

- a) Condition as to title
- b) Condition as to quality or fitness
- c) Condition as to description
- d) Condition as to possession

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14. What is the term for a sale where the price is paid by installments, and the seller retains ownership until the final payment is made?

- a) Cash sale b) Installment sale
- c) Credit sale d) Bulk sale

15. Which document serves as evidence of the delivery of goods to the buyer in a contract of sale?

- a) Bill of sale b) Delivery receipt
- c) Invoice d) Purchase order

16. What is a condition in a contract?

- a) Minor promise b) Major promise
- c) Essential term d) Optional term

17. In contract law, which term refers to a minor promise that is not central to the main purpose of the contract?

- a) Condition b) Warranty
- c) Innominate term d) Representation

18. What is the consequence of a breach of condition in a contract?

- a) Termination and damages b) Only damages
- c) Specific performance d) No remedy

19. In contract law, what is a warranty?

- a) A minor promise b) A major promise

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- c) An essential term d) An optional term

20. What type of term falls between conditions and warranties and its consequences depend on the nature of the breach?

- a) Condition b) Warranty
c) Innominate term d) Representation

21. What remedy is available for the breach of warranty in a contract?

- a) Termination and damages b) Only damages
c) Specific performance d) No remedy

22. Which term in a contract is considered as a statement of fact that induces a party to enter into the contract?

- a) Condition b) Warranty
c) Innominate term d) Representation

23. What is the primary purpose of a condition in a contract?

- a) To provide information
b) To indicate minor promises
c) To define essential terms
d) To establish the main purpose

24. In a sale of goods contract, which of the following is usually considered a condition?

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- a) A minor defect b) A delivery date
c) A product description d) A marketing statement

25. What is the consequence of a breach of warranty in a contract for the sale of goods?

- a) Termination and damages b) Only damages
c) Specific performance d) No remedy

26. Which term in a contract is crucial to the main purpose and goes to the root of the contract?

- a) Condition b) Warranty
c) Innominate term d) Representation

27. What term refers to a promise made by the seller about the quality or characteristics of the goods being sold?

- a) Condition b) Warranty
c) Innominate term d) Representation

28. What is the effect of a breach of condition on the innocent party in a contract?

- a) The innocent party must perform their obligations
b) The innocent party can terminate the contract and claim damages
c) The contract becomes void
d) The innocent party loses the right to claim damages

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29. Which of the following is an example of a condition in a contract for the sale of goods?

- a) The color of the product
- b) The payment terms
- c) The delivery date
- d) The promotional statements

30. What term refers to a statement that is not considered a fundamental term of the contract, and the consequences depend on the circumstances?

- a) Condition
- b) Warranty
- c) Innominate term
- d) Representation

31. What is the key document used to transfer the title of real property from a seller to a buyer?

- a) Deed
- b) Bill of sale
- c) Contract of sale
- d) Title certificate

32. In a real estate transaction, when does the transfer of title typically occur?

- a) Upon signing the contract
- b) Upon payment
- c) Upon delivery of goods
- d) Upon recording the deed

33. What is the primary purpose of a bill of sale in a personal property transaction?

- a) Transfer of possession
- b) Transfer of title

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- c) Transfer of ownership d) Transfer of risk

34. Which type of title transfer occurs when the buyer takes possession of the property but the seller retains the title until payment is made in full?

- a) Conditional transfer b) Equitable title transfer
c) Legal title transfer d) Deed of trust transfer

35. What legal concept ensures that the buyer gets good and marketable title in a real estate transaction?

- a) Caveat emptor b) Doctrine of merger
c) Doctrine of laches d) Covenant of seisin

36. In a sale of goods, at what point does the risk of loss transfer from the seller to the buyer?

- a) Upon signing the contract
b) Upon payment
c) Upon delivery of goods
d) Upon recording the deed

37. What is a common method of transferring title in the sale of a motor vehicle?

- a) Deed b) Title certificate
c) Bill of sale d) Escrow agreement

38. Which type of title transfer involves a transfer of possession, but legal title remains with the seller until certain conditions are met?

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- a) Conditional transfer b) Equitable title transfer
- c) Legal title transfer d) Deed of trust transfer

39. In a real estate transaction, what is the purpose of a warranty deed?

- a) To transfer title
- b) To provide a guarantee of title
- c) To transfer possession
- d) To create a security interest

40. What document is used to transfer the title of personal property, such as furniture or equipment?

- a) Deed b) Bill of sale
- c) Contract of sale d) Title certificate

41. What is the primary purpose of contractual remedies?

- a) To punish the breaching party
- b) To compensate the innocent party
- c) To rescind the contract
- d) To rewrite the contract terms

42. What type of remedy involves returning the parties to their original positions as if the contract never occurred?

- a) Specific performance b) Rescission
- c) Damages d) Injunction

43. Which remedy is a court order requiring the breaching party to fulfill their contractual obligations?

- a) Damages b) Specific performance
- c) Restitution d) Rescission

44. In the context of damages, what term refers to damages that naturally flow from the breach and were foreseeable at the time of contract formation?

- a) Consequential damages b) Nominal damages
- c) Compensatory damages d) Punitive damages

45. What type of damages are awarded when the actual losses are difficult to prove, and a reasonable estimate is used?

- a) Liquidated damages b) Nominal damages
- c) Compensatory damages d) Punitive damages

46. Which remedy involves the court ordering the breaching party to stop certain actions or behaviors?

- a) Restitution b) Injunction
- c) Rescission d) Specific performance

47. What type of damages are awarded to compensate for indirect losses that result from the breach but were not foreseeable at the time of contract formation?

- a) Consequential damages b) Liquidated damages
- c) Compensatory damages d) Nominal damages

48. In the context of damages, what term refers to damages awarded when no actual financial loss has occurred?

- a) Consequential damages b) Liquidated damages
- c) Nominal damages d) Punitive damages

49. What remedy involves the court ordering the breaching party to return any benefits or payments received from the innocent party?

- a) Restitution b) Injunction
- c) Rescission d) Specific performance

50. What type of damages are awarded to punish the breaching party for intentional or egregious conduct?

- a) Consequential damages b) Liquidated damages
- c) Nominal damages d) Punitive damages

51. Who is considered an unpaid seller in a transaction?

- a) The buyer
- b) The seller who has not been paid
- c) The escrow agent
- d) The financing institution

52. What is the primary remedy available to an unpaid seller in recovering the price of goods sold?

- a) Specific performance b) Rescission
- c) Damages d) Reformation

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53. In the absence of a payment agreement, when does the seller have the right to sue for the price of the goods?

- a) Immediately after delivery
- b) Upon shipment of the goods
- c) Within a reasonable time after the goods are ready for delivery
- d) Only after expiration of the credit period

54. What is the term for a situation where the buyer becomes insolvent, and the seller can demand payment before delivering the goods?

- a) Stoppage in transit
- b) Anticipatory repudiation
- c) Resale of goods
- d) Right to demand adequate assurance of performance

55. When can an unpaid seller exercise the right of stoppage in transit?

- a) Anytime after the sale
- b) Only before the goods are shipped
- c) While the goods are in transit and the buyer is insolvent
- d) Only after the goods are delivered

a) Rescission b) Right to reclaim goods
c) Specific performance d) Reformation

a) Specific performance b) Right to resale
c) Damages d) Reformation

a) Reformation b) Right to repossess
c) Specific performance d) Damages

a) Stoppage in transit b) Anticipatory repudiation
c) Right to reclaim d) Rescission

a) If the buyer becomes solvent before the seller demands reclamation

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- b) If the goods have already been consumed or irreversibly altered
- c) If the buyer refuses to pay
- d) If the goods are in the possession of a third party

61. In an auction sale, what is the term for the person who conducts the auction and calls out the bids?

- a) Bidder
- b) Seller
- c) Auctioneer
- d) Buyer

62. What is the starting price set by the seller for an item in an auction called?

- a) Reserve price
- b) Minimum bid
- c) Starting bid
- d) Base price

63. In a reserve auction, when is the highest bidder considered the winner of the item?

- a) When the auction ends
- b) When the reserve price is met
- c) When the seller accepts the bid
- d) When the buyer pays

64. What type of auction involves the auctioneer starting with a high price and gradually lowering it until a bidder accepts?

- a) English auction
- b) Dutch auction
- c) Sealed-bid auction
- d) Absolute auction

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65. In an absolute auction, what is unique about the sale process?

- a) There is no reserve price
- b) Bidders submit sealed bids
- c) Bids are accepted only in person
- d) The auctioneer controls the bidding increments

66. What term refers to an auction where the highest bidder wins the item, and all bidders pay the amount of their bid?

- a) Reserve auction
- b) English auction
- c) Silent auction
- d) Sealed-bid auction

67. In a silent auction, how are bids submitted?

- a) Verbally
- b) In writing
- c) Electronically
- d) Through a bidding paddle

68. What term describes a situation where the auctioneer withdraws an item from the auction before it is sold?

- a) Reserve
- b) Withdrawal
- c) No sale
- d) Bid rejection

69. In a sealed-bid auction, when do bidders submit their bids?

- a) Before the auction starts
- b) During the live auction
- c) After the auction ends
- d) auctioneer's discretion

70. What term describes a situation where the highest bidder fails to complete the purchase in an auction?

- a) Bid abandonment b) Bid default
- c) Buyer's remorse d) Bid retraction

71. According to the "tender of delivery" rule, when is the seller considered to have fulfilled their obligation to deliver the goods?

- a) When the goods are shipped
- b) When the buyer receives the goods
- c) When the seller offers the goods for delivery
- d) When the payment is made

72. In a CIF (Cost, Insurance, Freight) contract, when does the risk of loss transfer from the seller to the buyer?

- a) When the goods are tendered to the carrier
- b) When the goods arrive at the destination port
- c) When the buyer pays for the goods
- d) When the insurance is in effect

73. According to the "shipment contract" rule, when is the seller's delivery obligation fulfilled?

- a) When the goods are loaded onto the carrier
- b) When the goods arrive at the buyer's location
- c) When the buyer pays for the goods
- d) When the seller offers the goods for delivery

74. In a FOB (Free On Board) contract, at what point does the risk of loss transfer from the seller to the buyer?

- a) When the goods are loaded onto the carrier
- b) When the goods arrive at the destination port
- c) When the buyer pays for the goods
- d) When the goods are tendered for delivery

75. According to the "arrival contract" rule, when does the seller's delivery obligation end?

- a) When the goods are loaded onto the carrier
- b) When the goods arrive at the buyer's location
- c) When the buyer pays for the goods
- d) When the goods are tendered for delivery

76. In a C&F (Cost and Freight) contract, when does the risk of loss transfer from the seller to the buyer?

- a) When the goods are loaded onto the carrier
- b) When the goods arrive at the destination port
- c) When the buyer pays for the goods
- d) When the seller offers the goods for delivery

77. According to the "document of title" rule, when is the seller considered to have completed the delivery of goods?

- a) When the goods are shipped
- b) When the buyer receives the goods
- c) When the seller hands over the document of title

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d) When the payment is made

78. In a CIF (Cost, Insurance, Freight) contract, who is responsible for obtaining and paying for insurance coverage?

- a) Buyer b) Seller
- c) Carrier d) Both buyer and seller share the cost

79. According to the "tender of delivery" rule, what must the seller do to fulfill their delivery obligation?

- a) Physically transport the goods to the buyer's location
- b) Offer the goods for delivery and give the buyer reasonable notice
- c) Hand over the document of title
- d) Pay for the buyer's transportation costs

80. In an "ex-ship" contract, when does the risk of loss transfer from the seller to the buyer?

- a) When the goods are loaded onto the carrier
- b) When the goods arrive at the destination port
- c) When the buyer pays for the goods
- d) When the goods are tendered for delivery

81. In a contract of sale, price of goods maybe paid

- a) in cash
- b) anything other than cash

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c) partly in cash and partly in goods valued in terms of money

d) either a or c

82. The sale of goods act applies to contract of

a) sale of goods

b) sale of goods and services

c) sale and pledge of goods

d) sale and batter of goods

83. Following is not the document of title

a) bill of lading

b) dock warrant

c) railway receipt

d) none of the above

84. In agreement to sell, the property (ownership) in the goods passes

a) immediately

b) at future date

c) either immediately or future date

d) never

85. In a case of breach of condition, the buyer can

a) the claim damage only

b) the repudiate the contract

c) cannot return the goods

d) refuse to take delivery of goods

86. According to sale of goods act, breach of condition gives rise to the right

a) to repudiate the contract

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- b) to claim the damages suffered
- c) to reject the goods
- d) both a and c

87. In case a buyer uses his option to treat the breach of condition as breach of warranty, he losses

- a) right to repudiate the contract
- b) right to reject the contract
- c) right to claim damages
- d) both a and b above

88. Stipulation as a time of payment is

- a) always deemed to be an essence of contract of sale
- b) deemed to be an essence of contract of sale unless otherwise agreed
- c) not deemed to be an essence of a contract of sale unless otherwise agreed
- d) none of these

89. In case of goods sold by sample, the goods should correspond with the sample, otherwise

- a) buyer can reject the goods
- b) buyer cannot reject the goods
- c) contract is terminated
- d) seller is liable

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90. In case of sale of standing trees, the property passes to the buyer when trees are

- a) felled and ascertained b) counted and ascertained
- c) not felled but earmarked d) both b and c

91. In case of sale of unascertained goods, the ownership is transferred to the buyer when the goods are

- a) ascertained
- b) weighted and measured
- c) appropriate to the contract
- d) both a and c

92. A person who has possession of goods, cannot sale the goods

- a) if he is a mercantile agent
- b) if he possesses goods under voidable contract and the agreed party as rescinded the contract
- c) if he is a servant having a custody of goods
- d) both b and c

Answers

1.b, 2.a, 3.a, 4.b, 5.b, 6.c, 7.a, 8.c, 9.c, 10.d, 11.b,
12.b, 13.b, 14.b, 15.b, 16.c, 17.b, 18.a, 19.a, 20.c,
21.b, 22.d, 23.c, 24.b, 25.b, 26.a, 27.b, 28.b, 29.c,
30.c, 31.a, 32.d, 33.b, 34.b, 35.a, 36.c, 37.b, 38.a,
39.b, 40.b, 41.b, 42.b, 43.b, 44.c, 45.a, 46.b, 47.a,

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48.c, 49.a, 50.d, 51.b, 52.c, 53.c, 54.b, 55.c, 56.b,
57.b, 58.b, 59.d, 60.b, 61.c, 62.a, 63.b, 64.b, 65.a,
66.c, 67.b, 68.c, 69.a, 70.b, 71.c, 72.a, 73.a, 74.a,
75.b, 76.b, 77.c, 78.b, 79.b, 80.b, 81.c, 82.a, 83.d,
84.b, 85.b, 86.d, 87.d, 88.c, 89.a, 90.a, 91.d, 92.d.

Five Marks

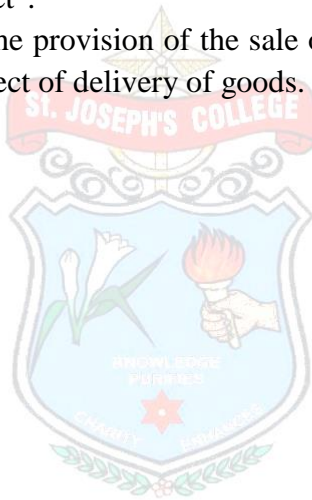
1. Give differential between sale and bailment.
2. Under what circumstances breach of condition would be treated as a breach of warranty?
3. List the essential features of a contract of sale?
4. Distinguish between condition and warranty.
5. Discuss the duties of a buyer under Sale of Goods Act.
6. State the exception to the rule "caveat emptor".
7. When does "sale or return" become sale?
8. State the provision of the sale of goods act with respect to delivery of wrong quantity by the seller.
9. What are the rights of the buyer in a contract of sale?
10. Explain the duties of the buyer.

Ten Marks

1. Distinguish between sale and agreement of sales.
2. Distinguish between hire purchase and sale.

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3. Describe the rights of unpaid seller.
4. Explain the classification of goods.
5. Explain the implied conditions and warranties in a contract of sale.
6. Explain the rules in respect of passing of property in goods from the seller to the buyer.
7. Explain the exceptions to the rule "Nemo Dat Quod Non Habet".
8. Discuss the provision of the sale of goods at 1930 with respect of delivery of goods.



ABOUT THE AUTHOR

Mrs. D. Annie Jenifer was born in 1990 in Krishnagiri. She is currently working as an Assistant Professor in the Department of Commerce, St. Joseph's College of Arts and Science for Women, Hosur. She has completed M.Com., in Periyar University and M.Phil in Avinashilingam University and MBA in Bharathiar University. She has experience of 2 years. She has presented research articles in International, National Conference and symposium. She has published papers in national and international journals. Her area of interest includes Finance, Marketing and Human Resource Management. Received the Best paper presentation award from International conference.

