



DEEPAK GUPTA CLASSES

98104 88450, 9899221902

Section-B-MERCANTILE LAWS (40 Marks)

1. An agreement enforceable by law is known as –
 - (a) Agreement
 - (b) Contract
 - (c) Promise
 - (d) Offer

2. Which of the following is not an essential of a valid contract?
 - (a) Valid offer and valid acceptance
 - (b) Intention to create legal relation
 - (c) Free consent
 - (d) Mistake

3. Which of the following is not an exception to rule – ‘No consideration, No contract’?
 - (a) Compensation for involuntary services
 - (b) Love and affection
 - (c) Contract of agency
 - (d) Gift

4. A agrees to pay Rs. 1000 to B if a certain ship returns within a year. However the ship sinks with the year. In this case, the contract becomes –
 - (a) Valid
 - (b) Void
 - (c) Voidable
 - (d) Illegal

5. ‘An agreement is void, if it is opposed to public policy’. Which of the following is not covered by heads of public policy?
 - (a) Trading with an enemy
 - (b) Trafficking in public offices
 - (c) Marriage brokerage contracts
 - (d) Contracts to do impossible acts

6. Consent is not said to be free, when it is caused by –
 - (a) Coercion
 - (b) Undue influence
 - (c) Fraud
 - (d) All of these

7. An offer may lapse by:
 - (a) Revocation
 - (b) Counter offer
 - (c) Rejection of offer by offeree
 - (d) All of these



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8. Cross offers means -
- (a) Exchanging identical offers by two parties in ignorance
 - (b) Offer made to the public in general
 - (c) Offer allowed to remain open for acceptance over period of time
 - (d) Offer made to a definite person
9. A collateral event is an event.
- (a) The performance for which is neither directly promised nor it is the entire consideration for the promise
 - (b) The performance for which is directly promised
 - (c) It is the entire consideration for the promise
 - (d) The performance which is agreed upon by the parties in a Court of Law
10. If the terms of a contract are expressly agreed upon (whether by words spoken or written) at the time of formation of the contract, the contract is said to be an -
- (a) Express Contract
 - (b) Implied Contracts
 - (c) Quasi Contracts
 - (d) None of the above
11. Which of the following agreement is void?
- (a) Agreement made under the unilateral mistake of fact
 - (b) Agreement made under the bilateral mistake of fact
 - (c) Agreement made under the influence of fraud
 - (d) Contingent agreement
12. Standing offer means
- (a) Offer allowed to remain open
 - (b) Offer made to public in general
 - (c) When the offeree offers to qualified acceptance of the offers.
 - (d) Offer made to a definite person
13. A agrees to marry C's daughter In consideration of dowry to be paid by C. The contracts is
- (a) Valid
 - (b) Voidable
 - (c) Opposed to public policy
 - (d) Both (b) and (c)



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14. Which of the following statement is false?
- (a) Generally a stranger to a contract cannot sue.
 - (b) A verbal promise to pay a time barred debt is valid
 - (c) Completed gift need no consideration
 - (d) No consideration is necessary to create an agency
15. 'Threat to commit suicide' amounts to
- | | |
|---------------------|---|
| (1) Coercion | (2) Offence under the Indian penal code |
| (3) Undue influence | (4) Fraud |
- (a) 1 and 3 (b) 2 and 3
(c) 3 and 4 (d) 1 and 4
16. Which of the following persons can perform the contract?
- (a) Promisor alone
 - (b) Legal representatives of promisor
 - (c) Agent of the promisor
 - (d) All of the above
17. Contracts classified on the basis of performance are the following types:
- (a) Executed contracts
 - (b) Executory contracts
 - (c) Partly, Executed or partly executed contracts
 - (d) All of the above
18. Where the performance of a promise by one party depend on the prior performance of promise by other party, such reciprocal promises fall under the category of
- (a) Mutual and concurrent
 - (b) Conditional and dependent
 - (c) Mutual and independent
 - (d) Both (a) and (b)
19. The person making the proposal is called -
- | | |
|-----------------|---------------|
| (a) Offeror | (b) Offeree |
| (c) Participant | (d) Principal |



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20. Misrepresentation means -
- (a) Causing advantage to the doer
 - (b) Any breach of duty without an intent to deceive
 - (c) Misleading another to his prejudice
 - (d) Causing advantage to a person not a party to the contract
21. The leading case “Balfor v. Balfor” is related to -
- (a) Intention to create relation
 - (b) Possibility of performance
 - (c) Lawful object
 - (d) Legal formality
22. Death or insanity of the proposer :
- (a) Operates as revocation of the proposal; irrespective of whether the acceptor has the knowledge of the same prior to his acceptance
 - (b) Operates as revocation, only if the acceptor knows about it before acceptance
 - (c) Operates on court order only
 - (d) Does not operate on court order
23. A minor’s liability for necessities supplied to him:
- (a) Arises after he attains majority age
 - (b) Is against only minor’s property
 - (c) Does not arise at all
 - (d) Arises if minor gives a promise for it
24. Which of the following statement is true?
- (a) Consideration must result in a benefit to both parties
 - (b) Past consideration is no consideration in India
 - (c) Consideration must be adequate
 - (d) Consideration must be something which a promisor is not already bound to do
25. Moral pressure is involved in the case of
- (a) Coercion
 - (b) Undue influence
 - (c) Misrepresentation
 - (d) fraud



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26. Jus – in – personam means :
- (a) A right against or in respect of a thing
 - (b) A right against or in respect of a person
 - (c) Both (a) and (b)
 - (d) None of the above
27. An agreement the object or consideration of which is unlawful is -
- (a) Void
 - (b) Valid
 - (c) Voidable
 - (d) Contingent
28. Which of the following acts does not fall under the categories of fraud?
- (a) Intentional false statement of facts
 - (b) Active concealment of facts
 - (c) Innocent false statement
 - (d) Promise made without intention to perform
29. Which of the statement is incorrect?
- (a) All illegal agreement are void but all void agreement are not necessary illegal
 - (b) A Voidable contract is not voidable at the option of the aggrieved party
 - (c) Contract that are immoral or opposed to public policy are illegal in nature
 - (d) All of the above
30. In Indian Contract Act 1872 came into operation on and from _____ ?
- (a) 1st October 1872
 - (b) 1st July 1872
 - (c) 15th August 1872
 - (d) 1st September 1872
31. Agreement is a
- (a) Set of reciprocal promises
 - (b) Acceptance of a proposal
 - (c) Contract
 - (d) Promise



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37. Where the consent of both the parties is given by mistake, the contract is -
- (a) Void – ab – initio (b) Valid
(c) Voidable (d) Illegal
38. Standing offers means
- (a) Offer allowed to remain open for acceptance over a period of time
(b) Offer made to the public in general
(c) When the offeree offers to qualified acceptance of the offer
(d) Offer made to a definite person
39. What is the legal terminology for the doing or not doing so something which of the promisor desires to be done or not done?
- (a) Desires (b) Wishes
(c) Consideration (d) Promise
40. Implied contract even if not writing or express words, is perfectly _____ if other condition are satisfied
- (a) Void (b) Valid
(c) Voidable (d) Illegal