

BUSINESS REGULATORY FRAMEWORK

1. The Indian Contract Act came into force on:

- (a) 15th September, 1872
- (b) 1st September, 1872
- (c) 1st October, 1872
- (d) 15th October, 1872.

2. The Indian Contract Act, applies to the:

- (a) Whole of India excluding Jammu & Kashmir
- (b) Whole of India including Jammu & Kashmir
- (c) States notified by the Central Government from time to time
- (d) None of the above. Answer:

3. An agreement consists of reciprocal promises between at least

- (a) four parties.
- (b) six parties.
- (c) three parties.
- (d) two parties.

4. Every promise and every set of promise forming the consideration for each other is a/an

- (a) contract.
- (b) agreement.
- (c) offer.
- (d) acceptance.

5. Contract is defined as an agreement enforceable by law, vide Section ... of the Indian Contract Act.

- (a) Section 2(e)
- (b) Section 2(f)
- (c) Section 2(h)
- (d) Section 2(i)

6. Valid contracts

- (a) are made by free consent.
- (b) are made by competent parties.

- (c) have lawful consideration and lawful object.
- (d) all of the above.

7. A contract creates

- (a) rights and obligations of the parties to it.
- (b) obligations of the parties to it.
- (c) mutual understanding between the parties to it.
- (d) mutual lawful rights and obligations of the parties to it.

8. In agreements of a purely domestic nature, the intention of the parties to create legal relationship is

- (a) to be proved to the satisfaction of the court.
- (b) presumed to exist.
- (c) required to the extent of consideration.
- (d) not relevant at all.

9. is forbidden by law.

- (a) Valid contract
- (b) Illegal agreement
- (c) Voidable contract
- (d) Unenforceable contract

10. A makes a contract with B to beat his business competitor. This is an example of

- (a) valid contract.
- (b) illegal agreement.
- (c) voidable contract.
- (d) unenforceable contract.

11. Which of the following legal statement is incorrect?

- (a) An agreement enforceable by law is a contract [Section 2]
- (b) All agreements are contracts [Section 10]
- (c) A proposal when accepted becomes a promise [Section 2]
- (d) Every promise and every set of promise forming the consideration for each other is an agreement [Section 2(e)]

12. is made by words written.

- (a) Express contract
- (b) Implied contract
- (c) Tacit contract
- (d) Unlawful contract

13. Agreement the meaning of which is uncertain is

- (a) Void
- (b) Valid
- (c) Voidable
- (d) Illegal Answer:

14. Which of the following relationship raise presumption of positive influence?

- (a) Parent and Child
- (b) Religious/ Spiritual Guru and disciple
- (c) Guardian and Ward
- (d) All of the above

15. Which of the following is false with respect to minor entering a contract?

- (a) An agreement with or by a minor is void ab initio
- (b) A minor can be a beneficiary of a contract
- (c) The contracts involving a minor as a beneficiary may be enforced at the option of the third party
- (d) A minor cannot ratify a contract on attaining majority

16. Drawing cash from ATM, sale by fall of hammer at an auction sale, etc., are example of

- (a) express contract.
- (b) implied contract.
- (c) tacit contract.
- (d) unlawful contract.

17. is a one-sided contract in which only one party has to perform his promise or obligation.

- (a) Void contract

- (b) Illegal agreement
- (c) Unilateral contract
- (d) Bilateral contract

18. All Contract is a/an

- (a) Offer
- (b) Agreement
- (c) Acceptance
- (d) Transaction

19. A/an is every Promise and every set of promises , forming consideration for each other

- (a) Offer
- (b) Agreement
- (c) Acceptance
- (d) Transaction

20. Every agreement and promise enforceable by law is

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

21. “A Contract is an agreement creating and defining obligations between the parties” the definition was put forwarded by

- (a) Dr. Ambedkar
- (b) Pollock
- (c) Salmonds
- (d) N.D.Kapoor

22. The Law of Contract is nothing but

- (a) A Child of Commercial dealing
- (b) A Child of Religion
- (c) A Child of day to day Politics
- (d) A Child of Economics.

23. To form a valid contract, there should be atleast

- (a) Two parties
- (b) Three parties
- (c) Four parties
- (d) Five parties.

24. Contractual rights and duties are created by

- (a) State
- (b) Statute
- (c) Parties
- (d) Custom or Usage.

25. Agreement is defined by the section of the Indian Contract Act, 1872.

- (a) Section 2(c)
- (b) Section 2(e)
- (c) Section 2(g)
- (d) Section 2(i)

26. As per section 2(e) of the Indian Contract Act, "Every Promise and every set of promise forming the consideration for each other is a/an

- (a) Contract
- (b) Agreement
- (c) Offer
- (d) Acceptance

27. A promises to deliver his watch to B and, in return, B Promise to pay a sum of ` 2,000. There is said to be a/ an

- (a) Agreement
- (b) Proposal
- (c) Acceptance
- (d) Offer

28. An Agreement is

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

29. A Contract is

- (a) A promise to do something or abstain from doing something.
- (b) A communication of intention to do something or abstain from doing something
- (c) A set of promises.
- (d) An agreement enforceable by law.

30. Contract is defined as an agreement enforceable by Law, vide section of the Indian Contract Act.

- (a) Section 2(e)
- (b) Section 2(f)
- (c) Section 2(h)
- (d) Section 2(i)

31. Which of the following is false? An offer to be Valid must

- (a) Contain a term the non- compliance of which would amount to acceptance.
- (b) Intend to create legal relations.
- (c) Have certain and unambiguous terms.
- (d) Be communicated to the person to whom it is made.

32. Over a cup of coffee in a restaurant, X Invites Y to dinner at his house on a Sunday. Y hires a taxi and reaches X's house at the appointed time , but x fails to perform his promise. Can Y recover any damages from X?

- (a) Yes, as y has suffered
- (b) No, as the intention was not to create legal relation.
- (c) Either (a) or (b)
- (d) None of these.

33. Which one of the following is the best statement about the Indian Contract Act?

- (a) It is an exhaustive code containing the entire law of contract.
- (b) It is an Act to amend certain parts of the law relating to contracts
- (c) It is an Act to define certain parts of the law relating to contracts and contains only the general principles of contract.
- (d) It is not an exhaustive code containing the entire law of contracts being an Act to define and amend certain parts of law relating to contract.

34. Which of following is a contract?

- (a) A engages B for a certain work and promises to pay such remuneration as shall be fixed. B does the work.
- (b) A and B promise to marry each Other.
- (c) A takes a Seat in a public vehicle
- (d) A invites B to a card party. B accepts the invitation.

35. For binding contract both the parties to the contract must:

- (a) Agree with each other.
- (b) Put the offer and counter offers.
- (c) Stipulate their individual offer
- (d) Agree upon the same thing in the same sense.

36. Which one of the following has the correct sequence?

- (a) Offer, acceptance, consideration, offer.
- (b) Offer, acceptance , consideration, contract
- (c) Contract, acceptance, consideration, offer.
- (d) Offer, consideration, acceptance, contract.

37. Goods displayed in a Shop window with a price label will amount to:

- (a) Offer
- (b) Acceptance of offer
- (c) Invitation to offer
- (d) Counter offer

38. What can a catalogue of books, listing price of each book and specifying the place where the listed books are available be termed as?

- (a) An offer
- (b) An obligation
- (c) An invitation to offer
- (d) A promise to make available the books at the listed place.

39. Which one of the following statement about a valid acceptance of an offer is incorrect?

- (a) Acceptance should be absolute and unqualified.
- (b) Acceptance should be in the prescribed manner
- (c) Acceptance should be communicated
- (d) Acceptance should be made while the offer is subsisting

40. A Counter offer is

- (a) A rejection of the original offer
- (b) An acceptance of the offer
- (c) A bargain
- (d) An invitation to treat

41. The offer must be

- (a) Conditional
- (b) Temporary
- (c) Definite

(d) all of the above

42. A contract is made where:

- (a) A buys a book from a shop
- (b) X bids at a public auction.
- (c) X agrees with Y to discover a treasure by magic
- (d) Z agrees to attend the birthday party of his friend

43. Parol contracts are also known as

- (a) Simple Contract
- (b) Format Contract
- (c) Void Contract
- (d) Conditional contract

44. An offer made by words spoken or written is called:

- (a) Implied offer
- (b) Express offer
- (c) Formal agreement
- (d) Informal agreement

45. A tender is

- (a) an offer
- (b) invitation to an offer
- (c) acceptance of offer
- (d) none of the above

46. An offer stands revoked

- (a) If the fact of the death or insanity is known to offeree
- (b) By counter offer
- (c) By rejection of offer
- (d) All the above

47. For an acceptance to be valid, it must be

- (a) Partial & qualified
- (b) Absolute & unqualified
- (c) Partial & unqualified
- (d) Absolute & qualified

48. Acceptance takes place as against the proposer, when

- (a) When the letter of acceptance is posted by the acceptor
- (b) When the letter of acceptance is received by the proposer
- (c) When the offeree, writes the letter of acceptance, but doesn't post it
- (d) All the above

49. Communication of offer is complete when

- (a) The letter is posted to the offeree
- (b) The letter is received by the offeree
- (c) The offer is accepted by the person to whom it is made
- (d) It comes to the knowledge of the offeror that the letter has been received by the offeree

50. The communication of a proposal is complete when it comes to

- (a) The knowledge of that person
- (b) The object of the offer
- (c) The intention with which offer is made
- (d) The facts underlying the offer

51. A person making a proposal is called

- (a) Promisor
- (b) Vendor
- (c) Contractor
- (d) Promise

52. Which one of the following will constitute a valid acceptance?

- (a) An enquiry as to fitness of the subject matter of contract.
- (b) A provisional acceptance
- (c) Addition of a superfluous term, while accepting an offer.
- (d) A conditional acceptance.

53. Which one of the following statement is true?

- (a) Offer and acceptance are revocable
- (b) Offer and acceptance are irrevocable
- (c) An offer can be revoked but acceptance cannot
- (d) An offer cannot be revoked but acceptance can be revoked.

54. The Communication of acceptance through telephone is regarded as complete when:

- (a) Acceptance is spoken on phone.
- (b) Acceptance comes to the knowledge of party proposing.
- (c) Acceptance is put in course of transmission.
- (d) Acceptance has done whatever is required to be done by him.

55. Which one of the following falls into the category of offer?

- (a) Newspaper advertisement regarding sale.
- (b) Display of goods by a shopkeeper in his window with prices marked on them
- (c) An advertisement for a concert.
- (d) Announcement of reward to the public.

56. A sees an article marked "Price Rupees Twenty" in B's shop .He offers B 20 for the article. B refuses to sell saying the article is not for sale. Advice A.

- (a) A cannot force B to sell the article at ` 20
- (b) A can force B to sell the article at ` 20

- (c) A can claim damages
- (d) A can sue B in the Court.

57. Which one of the following statement is incorrect?

- (a) Oral acceptance is a valid acceptance.
- (b) Mere silence is not acceptance
- (c) Acceptance must be communicated
- (d) Acceptance may not be in the prescribed manner

58. Consider the following statement:

- (1) There is no difference between the English Law and Indian Law with regard to acceptance through post.
- (2) Both Under the English Law and the Indian Law a contract is concluded when the letter of acceptance is posted.
- (3) Under the Indian Law when the Letter of acceptance is posted it is completed only as against the proposer.

Which of the above statement is/are correct?

- (a) 1 and 2
- (b) 2 alone
- (c) 3 alone
- (d) None

59. In Commercial and business agreements, the intention of the parties to create legal relationship is

- (a) Presumed to exist
- (b) To be specifically expressed in writing
- (c) Not relevant or all
- (d) Not applicable.

60. An agreement is a Voidable Contract when it is

- (a) Enforceable
- (b) Enforceable by Law at the option of the aggrieved party
- (c) Enforceable by both the parties
- (d) Not enforceable at all.

61. A Contract creates.....

- (a) Rights in personam
- (b) Rights in rem
- (c) Only rights and no obligations
- (d) Only Obligations and no rights.

62. An agreement not enforceable by Law is said to be void under section of the Indian Contract Act.

- (a) Section 2(a)
- (b) Section 2(b)
- (c) Section 2(f)
- (d) Section 2(g)

63. When the contract is perfectly valid in its substance but cannot be enforced because of certain technical defects. This is called a/ an-

- (a) Unilateral Contract
- (b) Bilateral Contract
- (c) Unenforceable Contract
- (d) Void Contract

64. The term " Proposal or offer" has been defined in - of the Indian contract Act.

- (a) Section 2(a)
- (b) Section 2(b)
- (c) Section 2(c)
- (d) Section 2(d)

65. The term " Promise" has been defined in of the Indian Contract Act.

- (a) Section 2(a)
- (b) Section 2(b)
- (c) Section 2(c)
- (d) Section 2(d)

66. The person making the proposal is called

- (a) Promisor

- (b) Promisee
- (c) Participator
- (d) Principal

67. Offer implied from conduct of parties or from circumstances of the case is called

- (a) Implied offer
- (b) Express offer
- (c) General offer
- (d) Specific offer

68. An offer made to a (i) Specific person, or (ii) a group of persons is known as

- (a) Standing offer
- (b) Specific offer
- (c) Special offer
- (d) Separate offer

69. Communication of proposal is complete when it comes to the knowledge of

- (a) The person to whom it is made
- (b) The proposer
- (c) Either (a) or (b)
- (d) The Court.

70. Terms of an offer must be

- (a) Ambiguous
- (b) Uncertain
- (c) Definite
- (d) Vague

71. A contingent contract is

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

72. A contract is said to be discharged or terminated

- (a) When the rights and obligation are completed
- (b) When the contract becomes voidable
- (c) Both (a) & (b)
- (d) None of the above

73. Which is not the mode of discharge of contract

- (a) Performance of contract
- (b) Lapse of time
- (c) Breach of contract
- (d) Injunction

74. A person finds certain goods belonging to some other persons. In such a case, the finder

- (a) Becomes the owner of that good
- (b) Is under a duty to trace the real owner
- (c) Can sell that good if true owner is not found
- (d) Both (b) & (c)

75. If in a contract, the time lapses and if the party fails to perform the contract within specified time the contract becomes

- (a) Voidable
- (b) Void
- (c) Illegal
- (d) Enforceable in the court

76. Change in one or more of the important terms in a contract, it is the case of

- (a) Novation
- (b) Rescission
- (c) Remission
- (d) Alternation

77. In both the cases, devolution of joint liabilities and devolution of joint rights, if a promisor dies, who will perform on behalf of him

- (a) Other promiser
- (b) His legal representation
- (c) Both (a) & (b)
- (d) None of the above

78. A contract which is impossible to perform is

- (a) Voidable
- (b) Void
- (c) Illegal
- (d) Enforceable

79. A party entitled to rescind the contract, loses the remedy where

- (a) He has ratified the contract
- (b) Third party has acquired right in good faith
- (c) Contract is not separable
- (d) All of the above

80. The special damages i.e. the damages which arises due to some special or unusual circumstances

- (a) Are not recoverable altogether
- (b) Are illegal being positive in nature
- (c) Cannot be claimed as a matter of right
- (d) Can be claimed as a matter of right

81. Which of the following statement is/are correct

- (a) Ordinary damages are recoverable
- (b) Special damages are recoverable only if parties know about them
- (c) Remote or indirect damages are not recoverable
- (d) All of these

82. Exemplary damages are not awarded in such case

- (a) Breach of promise to marry
- (b) Wrongful dishonour & customers cheque by banker
- (c) Breach of any business contract
- (d) None of the above

83. Damages which the contracting parties fix at the time of contract in case of breach

- (a) Unliquidated Damages
- (b) Liquidated Damages
- (c) Nominal Damages
- (d) None of the above

84. A order of court restraining a person from doing a particular act, it's a case of

- (a) Specific performance
- (b) Injunction
- (c) Both (a) & (b)
- (d) None of the above

85. Under the Indian Contract Act, the contract of indemnity is restricted to such cases

- (a) Where the loss promise to be reimbursed is caused by the conduct of the promisor or any other person
- (b) The loss caused by the any events or accident which does not depend upon conduct of any person
- (c) Both (a) & (b)
- (d) None

86. What is the ratio of parties in contract of indemnity and contract of guarantee

- (a) 2 : 3
- (b) 3 : 2
- (c) 1 : 3
- (d) 2 : 1

87. In contract of indemnity, what is the liability of indemnifier against the indemnified

- (a) Primary
- (b) Secondary
- (c) No liability
- (d) Both (a) & (b)

88. In case of contract of guarantee, what is the liability of the surety against the principal debtor

- (a) Primary
- (b) Secondary
- (c) No liability
- (d) Fully liable

89. Which is not the case of discharge of surety

- (a) By notice of revocation
- (b) By death of surety
- (c) If creditor releases the principal debtor
- (d) None of the above

90. What is the right of the bailee against the goods

- (a) Owner
- (b) Possessor
- (c) Bailee can sell those goods
- (d) Both (a) & (b)

91. In case of Contract of guarantee, if the creditor loses or parts with any security which the debtor provides him at time of contract, the surety is discharged to the extent of

- (a) The value of the security
- (b) The surety can be fully discharged
- (c) The surety can claim damages
- (d) All of the above

92. Which one is not the duties of bailee

- (a) The bailee must take care of goods as of his goods.
- (b) The bailee cannot use bailor's goods in an unauthorised manner.
- (c) The bailee should return the goods without demand on the expiry of the time period.
- (d) He can set up adverse title to the goods.

93. A lien which is available only against that property of which the skill and labour have been exercised

- (a) General Lien
- (b) Particular Lien
- (c) Ordinary Lien
- (d) Both (a) & (b)

94. Which is not the case of termination of bailment

- (a) Where the bailee wrongfully uses or dispose of the goods bailed.
- (b) When the period of bailment expires
- (c) When the object of bailment has been achieved
- (d) None of the above

95. An agency may also arise by

- (a) Estoppel
- (b) Necessity
- (c) Ratification
- (d) All of the above

96. A mercantile agent employed to sell goods which have been placed in his possession or contract to buy goods for his principal

- (a) Factors
- (b) Brokers
- (c) Del Credere Agent
- (d) Auctioneers

97. The threat to commit suicide amounts to

- (a) Coercion
- (b) Undue influence
- (c) Misrepresentation
- (d) Fraud

98. Consensus-ad-idem is an essential of

- (a) Agreement
- (b) Promise
- (c) Both (a) & (b)
- (d) Consideration

99. Agreement which are not contracts

- (a) Social Matters
- (b) Relating to partnership
- (c) Domestic Agreements
- (d) Both (a) & (c)

100. Offeror is

- (a) Party to whom offer is made
- (b) Third party
- (c) Party making an offer
- (d) None of the above

101. Bailment is a special kind of contract that is widely used in business and in:

- a) Personal affairs
- b) Cultural activities
- c) Academic research
- d) Charitable institution

102. A transaction in which an owner of a tangible personal property transfers the property such property is known as:

- a) Bailment
- b) Pledge
- c) Hypothecation
- d) Lease

103. A bailment allows an owner of a personal property to transfer possession of it to another individual for any one of the following purpose; except:
- a) Sale
 - b) Transportation
 - c) Storage
 - d) Lease
104. An agreement reached between a bailor and a bailee is
- a) Mortgage
 - b) Bailout
 - c) Bailment
 - d) Codicil
105. Any one in possession of goods can create bailment relationship and becomes:
- a) Bailee
 - b) Bailor
 - c) Executor
 - d) Administrator
106. In general all of the following are requirement for a bailment; except that the:
- a) Bailor must be in possession of goods
 - b) Bailee must intent to possess goods
 - c) Bailee must return identical goods
 - d) Actual ownership of goods is necessary
107. The law concerning bailment provides for certain rights and duties of both bailor and bailee, depending on the:
- a) Amount of transaction
 - b) Nature of business
 - c) Kind of bailment
 - d) Competency in the market
108. The transfer of goods from a bailor to a _____ must actually take place
- Landlord
 - Bailee
 - Lease
 - Tenant
109. A bailment for the sole benefit of a bailor usually results in -----
- a) Borrowing /lending transactions
 - b) Spring transaction
 - c) Declarative transaction
 - d) Autonomous transaction
110. A bailment in which only the person who borrows and article gets the benefits is known as:
- a) Bailment for the sole benefits of the bailee
 - b) Bailment for the sole benefits of the bailor

- c) Mutual benefit bailment
 - d) Constructive bailment
111. A person who finds the goods belonging to others and takes them into his possession is called
- a) Finder of goods
 - b) Bailor
 - c) Pledgor
 - d) Pawnee
112. 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
113. A bailment is for a specific period, it terminates on expiry of that period
- a) On the achievement of the subject
 - b) On the expiry of the period
 - c) Gratuitous bailment
 - d) Destruction of the subject matter
114. The bailment of goods as security for payment of a debt or performance of a promise
- a) Pledge
 - b) Lien
 - c) Agency
 - d) Bailment
115. Pledgee is also known as
- a) Pawnee
 - b) Pawnor
 - c) Principal
 - d) Agent
116. Pledgor is also known as
- a) Pawnor
 - b) Pawnee
 - c) Bailor
 - d) Agent
117. Pledge is made for _____ purpose
- a) Any purpose
 - b) Special purpose
 - c) Common purpose
 - d) None of the above
118. Person's include in pledge

- a) Pledgor and pledgee
 - b) Bailor and bailee
 - c) Principal and agent
 - d) Giver and taker
119. The term bailment is derived from a French word “bailor”, which means:
- a) Depends
 - b) Deliver
 - c) Selling
 - d) Buying
120. What is the essence of the bailment
- a) Transfer of ownership
 - b) Transfer of possession
 - c) A and B
 - d) None of these
121. 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
122. The person whom delivered the goods for bailment process is called
- a) Bailee
 - b) Bailor
 - c) Pawnor
 - d) Pawnee
123. What is the subject matter of bailment
- a) Movable goods
 - b) Immovable goods
 - c) Perishable goods
 - d) All of the above
124. No consideration passes between the bailor and bailee
- a) Non gratuitous bailment
 - b) Gratuitous bailment
 - c) Special bailment
 - d) Conditional bailment
125. Choose the incorrect; Rights of bailee:
- a) Rights of implied
 - b) Bailor’s lien
 - c) Termination of bailment
 - d) Enforcement of duties of bailor
126. Choose the correct one; Duties of bailor
- a) To return the goods
 - b) To disclose known faults
 - c) Not to set up an adverse title

- d) To return any accretion to the goods
127. 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
128. Which of the following is not a type of bailment
- a) Gratuitous
 - b) deposit
 - c) Sale
 - d) Loan for use
129. 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
130. Which of the following is not an example of bailment
- a) A coat check
 - b) Valet parking
 - c) Dry cleaning
 - d) A gift you give someone for their birthday
131. Law relating to agency is contained in Chapter of the Indian Contract Act.
- a. Chapter IX
 - b. Chapter X
 - c. Chapter XI
 - d. Chapter XII
132. A person employed to do any act for another person is called.
- a. Agent
 - b. Principal
 - c. Agency
 - d. Bailor
133. Who has the primary responsibility in agency?
- a. Principal
 - b. Agent
 - c. Bailor
 - d. Bailee
134. The contract which creates the relationship of an agent and principal
- a. Agency

- b. Bailment
 - c. Pledge
 - d. Offer
135. An agent who is appointed to perform a particular act.
- a. General agent
 - b. Universal agent
 - c. Special agent
 - d. Commercial agent
136. An agent who has authority to do all acts connected with a particular trade, business or employment.
- a. Commission agent
 - b. General agent
 - c. Del credere agent
 - d. Broker
137. An agent whose authority to bind his principal is almost unlimited.
- a. General agent
 - b. Universal agent
 - c. Auctioneer
 - d. Factor
138. When does apparent authority of an agent arise?
- a. When the acts with the usual authority of the job
 - b. When the principal gives the agent implied authority to act
 - c. When the agent has actual authority to act
 - d. When the principal represents to a third party that an agent has the authority to act when in fact he doesn't
139. Which one of the following is not a duty of an agent?
- a. Duty to exercise care and skill
 - b. Duty to take a commission
 - c. Duty to account
 - d. Duty to avoid conflict of interest
140. What is undisclosed agency?
- a. When a third party is not informed of the exercise of the principal and believes the agent is acting on his own behalf.
 - b. When the agent indicates through conduct he is acting as an agent.
 - c. When the principal is not in existence.
 - d. Where the third party knows there is a principal but doesn't know his name.
141. Which of the following statement is incorrect?
- a. An agency may be terminated by death of either party.
 - b. An agency may be terminated by express agreement.
 - c. An agency agreement can always be terminated by a principal.

- d. Mental incapability of an agent will terminate the agency relationship.
142. An agency relationship which is made retrospectively is known as an agency by:
- a. Estoppel
 - b. Ratification
 - c. Necessity
 - d. Commerce
143. Which one of the following statement is incorrect?
- a. An agent create a loyal relationship between a third party and principal.
 - b. All agents are entitled to be paid for their services.
 - c. An agency relationship may be created through necessity
 - d. An agency relationship may be created through estoppel.
144. is an agent who is appointed to sell goods at a public auction for reward.
- a. Commission agent
 - b. Broker
 - c. Auctioneer
 - d. Factor
145. Agent acts the role of both a guarantor and an agent
- a. Factor
 - b. Del credere agent
 - c. Special agent
 - d. General agent
146. Where both the name and existence of the principal are not disclosed in the contract. Such principal is called
- a. Undisclosed principal
 - b. Unnamed principal
 - c. Named principal
 - d. Prohibited principal
147. Which one of the following is not a duty of an agent?
- a. Right of retainer
 - b. Right of lien
 - c. Right to remuneration
 - d. Right to recover damage
148. A person employed by, and acting under the control of the original agent is called.....
- a. Substitute agent
 - b. Co-agent
 - c. Sub agent
 - d. Universal agent
149. Which of the following is not a terminator of agency by operation of law?

- a. Expiry of time
 - b. Revocation by the principal
 - c. Insolvency
 - d. Death
150. A duty is to bring together the buyer and seller and make the sale happen.
- a. Broker's
 - b. Factor's
 - c. Commission agent's
 - d. Del credere agent's
151. A is a mercantile agent entrusted with the possession of goods for the purpose of selling them.
- a. Commercial agent
 - b. Factor
 - c. Broker
 - d. Commission agent
152. Which of the following is not a type of commercial agents?
- a. Banker
 - b. Special agent
 - c. Broker
 - d. Commission agent
153. Which of the following is not a right of the principal?
- a. Right to recover damage
 - b. Right to demand account and to claim secret profit made.
 - c. Right to remuneration
 - d. To resist agent's claim for indemnity.
154. Which of the following is not a duty of principal?
- a. To pay remuneration to agent
 - b. To indemnify the agent against the consequences of all lawful acts.
 - c. Right to be indemnified against consequences of acts done in good faith
 - d. Duty to pay money received.
155. Which of the following is not a non-mercantile agent.
- a. Attorneys
 - b. Insurance agent
 - c. Factor
 - d. Solicitors
156. Substitute agent is also called
- a. Co-agent
 - b. Sub agent
 - c. Junior agent
 - d. Duplicate agent

157. Which of the following is not a termination of agency by acts of the parties.
- Agreement
 - Revocation by principal
 - Insolvency
 - Revocation by agent
158. Which of the following is not a situation of irrecoverable agency
- Where the agency is coupled with interest.
 - Where the agency has incurred a personal liability.
 - Where the agent has partly exercised his duty.
 - Where the agent doesn't exercised his duty.
159. Which one of the following is not a duty of an agent?
- Duty to exercise care and skill
 - Duty to take a commission
 - Duty to account
 - Duty to avoid conflict of interest
160. What is undisclosed agency?
- When a third party is not informed of the exercise of the principal and believes the agent is acting on his own behalf.
 - When the agent indicates through conduct he is acting as an agent.
 - When the principal is not in existence.
 - Where the third party knows there is a principal but doesn't know his name.
161. The sale of goods act 1930 deals with the
- movable goods only
 - period of contract
 - immovable goods
 - none of the above
162. Contract of sale may be
- agency relationship
 - sale or agreement
 - indemnity
 - guarantee.
163. Representation of contract for the main purpose are called
- warranties
 - conditions

c) agreements

d)members

164. Warranty is a contract means

a) collateral to main purpose b)condition to main purpose

c) representation to main purpose d)none of the above

165. A contract for the sale of goods which provides that the property would pass to the buyer on full payment of price and execution of sale deed is known as

a)sale of approval

b)hire purchase agreement

c) sale

d)agreement to sell

166. The term goods for the purpose of sale of goods act does not include

a) actionable

b)money

c) immovable property

d)all of these

167. A contract for the sale of “future goods is “

a) agreement to sell

b)sale

c) void

d)voidable

168. The merchantable in sec 14(2)defined in

a) Indian contract act

b) sale of goods act

c) English sale of goods act

d) none if this

169. In a hire purchase agreement the hirer

a) must buy the goods

- b) must return the goods
- c) has an option to buy the goods
- d) not given the possession of goods

170. which of the following is not an implied condition in a contract of sale?

- a) condition as to description
- b) condition as to title
- c) condition as to free from encumbrance
- d) condition as to sample

171. which of the following modes of delivery of goods is considered effective for a valid contract of sale?

- a) constructive delivery
- b) symbolic delivery
- c) actual delivery
- d) all of these

172. Delivering the keys of a godown in which goods sold are stored amounts to

- a) delivery by attornment
- b) symbolic delivery
- c) actual delivery
- d) none of these

173. The unpaid seller can exercise his right of lien over the goods for

- a) any lawful charges
- b) price of goods
- c) storage charges
- d) all of these

174. In case on sale of approval the ownership is transferred to the buyer when he

- a) adopts the transactions
- b) accepts the goods

- c) fail to return goods
- d)in all the above cases

175.On the payment of price by the buyer ,if the seller fails to deliver the goods ,then the buyer can file a suit for

- a) refund of price
- b)interest
- c) none of this
- d)both (a)and (b)

176.An auction sale is complete on the

- a) fall of hammer
- b)delivery of goods
- c) payment of price
- d)both (b) and (c)

177.where the goods are delivered to a carrier or wharfinger for the purpose of transmission to the buyer, the delivery is

- a) invalid delivery
- b)valid and effective
- c) conditional
- d)none of this

178.The property in the goods means the

- a) possession of goods
- b)custody of goods
- c) ownership of goods
- d)both(a) and (b)

179.The goods are the risk of a party who has the

- a) ownership of goods
- b)possession of goods
- c) custody of goods

d)both (b) and (c)

180. In Case of unconditional contract of sale, the property passes to the buyer at the time of making the contract. for this to apply, the goods must be

a) specific

b)in a deliverable state

c) physically transferred to buyer

d)both(a) and (b)

181. In which of the following cases, the unpaid seller loses his right of lien?

a) delivery of goods to buyer

b)delivery of goods to carrier

c) tender of price by buyer

d) all of these

182. where in an auction sale, the seller appoints more than one bidder, the sale is

a) illegal

b)void

c)conditional

d)voidable

183. “No one can transfer rights which he himself does not have” that principle carried in

a) companies act 2013

b)industrial act

c) “nemodat quod non habet”

d)none of the above

184. A stipulation which is essential to the main purpose of the contract and if prove false give the buyer a right terminate the contract is legally known as

a) guarantee

b)condition

c) warranty

d)none of these

185. In case a condition is changed to the status of a warranty ,then the buyer
- a)loses the right to reject goods
 - b)retains right claim damages only
 - c)both (a) and (b) are true
 - d)both (a) and (b) are false
186. The unpaid seller can exercise his right of stoppage of goods in transit where the buyer
- a)refuse to pay price
 - b)acts fraudulently
 - c)become insolvent
 - d)all of these
187. where by exercising the right of stoppage in transit the unpaid seller regains the possession of goods, then
- a) unpaid seller lien revives
 - b)contract of sale in terminated
 - c) unpaid seller lien does not revive
 - d)sellers possession in unlawful
188. where the seller has expressly reserved his right to bid in the auction to bid in his behalf ,the seller can appoint
- a) only one bidder
 - b) two bidders
 - c) any number of bidders
 - d) none,seller has no such right
189. A bidder at an auction sale can withdraw his bid
- a) before fall on hammer
 - b)any time during auction
 - c) before payment of price
 - d)none of these

190. On seller's wrongful refusal to deliver the unascertained goods to the buyer, the buyer can file a suit for recovery of

- a) goods
- b) damages
- c) both (a) and (b)
- d) none of these

191. A contract by which one party promises to save the other from losses caused to him by the conduct of the promisee himself or by the conduct of any other person is called a _____

- a) Contract of indemnity
- b) Contract of guarantee
- c) Quasi contract
- d) none of these

192. The person who promises to make good the loss is called the ____

- a) Indemnified
- b) None of these
- c) Indemnifier
- d) Indemnifier holder

193. The person whose loss is to be made good is called the

- a) Indemnifier
- b) Principal Debtor
- c) Indemnity holder
- d) none of these

194. When a guarantee extends to a single transaction or debt it is called

- a) Retrospective guarantee
- b) Specific Guarantee
- c) Prospective guarantee
- d) Fidelity guarantee

195. A continuing guarantee may at any time be revoked by the surety as to future transactions by giving a _____ to the creditor.

- a) By notice
- b) By Oral
- c) By death of surety
- d) none of these

196. _____ is a guarantee given for the good conduct or honesty of a person employed in a particular office.

- a) Fidelity guarantee
- b) Continuing Guarantee
- c) Retrospective guarantee
- d) specific guarantee

197. When a guarantee given for an existing debt or obligation it is known as

- a) Specific guarantee
- b) fidelity guarantee
- c) Retrospective guarantee
- d) continuing guarantee

198. A _____ is a contract to person the promise or to discharge a liability of a third person in case of his default.

- a) Contract of indemnity
- b) contract of guarantee
- c) Implied contract
- d) express contract

199. The person who gives the guarantee is called

- a) A surety
- b) Guarantee
- c) Competent
- d) creditor

200. The person to whom the guarantee is given is called

- a) Indemnifier

b) Principal debtor

c) Indemnified

d) Creditor

ANSWER KEY

Q No	Ans	Q No	Ans	Q No	Ans	Q No	Ans
1	b	51	a	101	a	151	b
2	b	52	a	102	a	152	b
3	d	53	a	103	d	153	c
4	b	54	b	104	c	154	d
5	c	55	d	105	b	155	c
6	d	56	a	106	d	156	a
7	b	57	d	107	c	157	c
8	a	58	c	108	b	158	d
9	b	59	a	109	a	159	b
10	b	60	b	110	a	160	a
11	b	61	a	111	c	161	a
12	a	62	d	112	d	162	b
13	a	63	c	113	b	163	b
14	d	64	a	114	a	164	a
15	c	65	b	115	a	165	d
16	b	66	a	116	a	166	d
17	c	67	a	117	b	167	a
18	b	68	b	118	a	168	c
19	b	69	a	119	b	169	c
20	b	70	c	120	b	170	c
21	c	71	c	121	c	171	c
22	a	72	a	122	a	172	b
23	a	73	d	123	a	173	d
24	c	74	d	124	b	174	c
25	b	75	a	125	c	175	a
26	b	76	d	126	b	176	a
27	a	77	c	127	c	177	b
28	b	78	b	128	c	178	c
29	d	79	d	129	b	179	a
30	c	80	c	130	d	180	a
31	a	81	d	131	b	181	c
32	b	82	c	132	a	182	d
33	c	83	b	133	a	183	c
34	a	84	b	134	a	184	c
35	d	85	b	135	c	185	c
36	b	86	a	136	b	186	d

37	c	87	a	137	b	187	c
38	c	88	b	138	d	188	a
39	d	89	d	139	b	189	a
40	a	90	b	140	a	190	d
41	c	91	a	141	c	191	a
42	a	92	d	142	b	192	c
43	a	93	b	143	b	193	b
44	b	94	d	144	c	194	b
45	a	95	d	145	b	195	a
46	d	96	a	146	a	196	a
47	b	97	a	147	d	197	a
48	a	98	a	148	c	198	b
49	b	99	b	149	b	199	a
50	a	100	c	150	a	200	d