



Dr.G.R.Damodaran College of Science
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Semester III

Skill Based Subject: Commercial Law - 305E

Multiple Choice Questions.

1. Goods which are in existence at the time of the Contract of Sale is known as
- A. present Goods
 - B. specific Goods
 - C. existing Goods
 - D. none of the above

ANSWER: C

2. What is the purpose behind the enactment of Sale of Goods Act, 1930:
- A. To define the law relating to sale of goods
 - B. To Consolidate and ammend the laws relating to sale of goods
 - C. To consolidate and define the laws relating to sale of goods
 - D. To define and ammend the law relating to sale of goods

ANSWER: D

3. In which of the following cases an unpaid seller does not lose his right of lien:
- A. When seller delivers the goods to a carrier or other bailee for the purpose of transmission to the buyer without reserving the right of disposal
 - B. When buyer or his agent lawfully obtains possession of the goods
 - C. When the unpaid seller has obtained the decree for the price of the goods
 - D. When the unpaid seller himself waives off his right of lien

ANSWER: C

4. Which of the following is not an exception to the rule no consideration no contract?
- A. Compensation for voluntary service
 - B. Love and affection
 - C. Contract of agency
 - D. Gift

ANSWER: A

5. A minors liability for necessaries supplied to him
- A. Arises after he attains majority age
 - B. Is against only minors property
 - C. Does not arise at all
 - D. Arises if minor gives a promise for it

ANSWER: B

6. Generally, which of the following damages are not recoverable?

- A. Ordinary damages
- B. Special damages
- C. Remote damages
- D. Nominal damages

ANSWER: C

7. A mistake as to a law not in force in india has the same effect as,

- A. Mistake of fact
- B. Mistake of Indian law
- C. Fraud
- D. Misrepresentation

ANSWER: A

8. The term Goods under the sale of goods act, 1930 does not include,

- A. Goodwill
- B. Actionable claim
- C. Stocks and shares
- D. Harvested crops

ANSWER: B

9. Which of the following is not an implied condition in a contract of sale?

- A. Condition as to title
- B. Condition as to description
- C. Condition as to free from encumbrance
- D. Condition as to sample

ANSWER: C

10. Which of the following is not a form of delivery?

- A. Constructive delivery
- B. Structured delivery
- C. Actual delivery
- D. Symbolic delivery.

ANSWER: B

11. Doctrine of caveat emptor

- A. Let the seller beware
- B. Let the buyer beware
- C. Let the creditor beware
- D. None of the above

ANSWER: B

12. In the absence of an agreement to the contrary all partners are,

- A. Not entitled to share profits
- B. Entitled to share in capital ratio
- C. Entitled to share in proportion to their ages.
- D. Entitled to share profits equally

ANSWER: D

13. An agreement which is enforceable by law at the option of one or more of the parties thereon but not at the option of the other is a _____.

- A. Valid contract

- B. Void contract
- C. Voidable contract
- D. Illegal contract

ANSWER: C

14. When the consent of a party is not free, the contract is _____.

- A. Void
- B. Valid
- C. Voidable
- D. Illegal

ANSWER: C

15. Ordinarily a minors agreement is _____.

- A. Void ab initio
- B. Voidable
- C. Valid
- D. Unlawful

ANSWER: A

16. The threat to commit suicide amount to _____.

- A. Coercion
- B. Undue influence
- C. Misrepresentation
- D. Fraud

ANSWER: A

17. An agreement the object or consideration of which is unlawful, is

- A. Void
- B. Valid
- C. Voidable
- D. Illegal

ANSWER: A

18. A contingent contract is _____.

- A. Void
- B. Valid
- C. Voidable
- D. Illegal

ANSWER: B

19. Agreement for the sale of future goods is _____.

- A. Sale
- B. Agreement to sell
- C. Void
- D. Hire purchase contract

ANSWER: B

20. Agreement-the meaning of which is uncertain is _____.

- A. Valid
- B. Void
- C. Voidable

D. illegal

ANSWER: B

21. Death of partner has the effect of

- A. Dissolving the firm
- B. Result in continuance of the business of the firm
- C. His heirs joining the firm
- D. Computation of profits upto the date of death

ANSWER: A

22. The law of contract in india is contained in

- A. Indian Contract Act, 1862
- B. (b) Indian Contract Act, 1962
- C. Indian Contract Act, 1872
- D. Indian Contract Act, 1972

ANSWER: C

23. A void agreement is one which is:

- A. Valid but not enforceable
- B. Enforceable at the option of both the parties
- C. Enforceable at the option of one party
- D. Not enforceable in a court of law

ANSWER: D

24. A proposal when accepted becomes a

- A. Promise.
- B. Offer.
- C. Contract.
- D. Acceptance.

ANSWER: A

25. X purchases a car from Y. After 6 months, Z, the true owner of the car, demanded it from X. X had to return it to its true owner. X was entitled to recover the full price even though several months have passed. This is an example of:

- A. Condition as to description
- B. Condition as to sample
- C. Condition as to title
- D. Condition as to fitness

ANSWER: D

26. In which form of the contract, the property in the goods passes to the buyer immediately:

- A. agreement to sell.
- B. hire purchase.
- C. sale
- D. instalment to sell.

ANSWER: C

27. Which one of the following is not an implied warranty?

- A. Warranty as to undisturbed possession.
- B. Warranty as to existence of encumbrance.
- C. Disclosure of dangerous nature of goods.

D. Warranty as to quality or fitness by usage of trade.

ANSWER: B

28. A firm is the name of:

- A. The Partners
- B. The minors in the firm.
- C. The business under which the firm carries on business
- D. The collective name under which it carries on business.

ANSWER: D

29. Which of the following is not disability of an unregistered firm?

- A. (a) It cannot file a suit against third parties
- B. (b) Its partners cannot file a suit against a firm.
- C. (c) It cannot claim a set-off exceeding Rs. 100.
- D. It cannot be sued by a third party.

ANSWER: D

30. In case of illegal agreements, the collateral agreements are.

- A. Valid.
- B. Void.
- C. Voidable.
- D. None of these.

ANSWER: B

31. Moral pressure is involved in the case of

- A. Coercion.
- B. Undue Influence.
- C. Misrepresentation.
- D. Fraud.

ANSWER: B

32. Sometimes, a party is entitled to claim compensation in proportion to the work done by him. It is possible by a suit for

- A. damages
- B. injunction
- C. quantum meruit
- D. none of these.

ANSWER: C

33. A contract dependent on the happening or non-happening of future uncertain event, is a

- A. Uncertain contract.
- B. Contingent contract.
- C. Void contract.
- D. Voidable contract.

ANSWER: B

34. A agrees to pay Rs. one lakh to B if he brings on earth a star from sky. This is a contingent contract and _____.

- A. Illegal
- B. Valid
- C. Voidable

D. Void.

ANSWER: D

35. As a general rule, an agreement made without consideration is

- A. void
- B. voidable
- C. valid
- D. unlawful

ANSWER: A

36. An agreement made with free consent to which the consideration is lawful but inadequate, is

- A. void
- B. valid
- C. (c) voidable
- D. unlawful

ANSWER: B

37. A contract with the minor, which is beneficial for him, is

- A. void ab initio
- B. voidable
- C. valid
- D. illegal

ANSWER: A

38. The essence of a right of lien is to

- A. deliver the goods.
- B. retain the possession,
- C. regain the possession.
- D. none of the above.

ANSWER: B

39. If a seller handed over the keys of a warehouse containing the goods to the buyer results in

- A. (a) constructive delivery
- B. actual delivery
- C. symbolic delivery
- D. none of the above

ANSWER: C

40. Voluntary transfer of possession by one person to another is popularly known as

- A. (a) Transfer.
- B. Possession.
- C. Delivery.
- D. None of the above.

ANSWER: C

41. Which of the following statement is true?

- A. An agreement is an unaccepted proposal
- B. An agreement enforceable by law is a contract
- C. An agreement can only consist of an offer
- D. An agreement can only consist of an acceptance

ANSWER: B

42. Consideration must move at the desire of

- A. Promisor
- B. Promisee
- C. Any other person
- D. Any of these

ANSWER: A

43. A contract is discharged by novation which means the

- A. Cancellation of the existing contract
- B. Change in one or more terms of the contract
- C. Substitution of existing contract for a new one
- D. None of these

ANSWER: C

44. When prior to the due date of performance, the promisor absolutely refuses to perform the contract, it is known as

- A. Abandonment of contract
- B. Remission of contract
- C. Actual breach of contract
- D. Anticipatory breach of contract

ANSWER: D

45. A wrong representation when made without any intention to deceive the other party amounts

- A. Coercion
- B. Undue Influence
- C. Misrepresentation
- D. Fraud

ANSWER: C

46. 83. A threatens to kill B if he does not agree to sell his scooter to him for Rs. 1,000 only. Here consent of B is obtained by .

- A. Undue influence
- B. Fraud
- C. Coercion
- D. Mistake

ANSWER: C

47. Where the consent of both the parties is given by mistake, the contract is

- A. Void
- B. Valid
- C. Voidable
- D. Illegal

ANSWER: A

48. An agreement, which prevents a person from carrying a lawful business, is

- A. Valid
- B. Void
- C. Voidable
- D. contingent

ANSWER: A

49. In case of sale on approval, the ownership is transferred to the buyer when he
- A. Accepts the goods
 - B. Adopts the transaction
 - C. Fails to return goods
 - D. In all the above cases

ANSWER: D

50. The bidder at an auction sale can withdraw his bid
- A. Any time during auction
 - B. Before fall of hammer
 - C. Before payment of price
 - D. Cannot withdraw at all.

ANSWER: B

51. Which of the following is a requirement for misrepresentation to exist?
- A. Misrepresentation should relate to a material fact
 - B. The person making a misrepresentation should not believe it to be true
 - C. It must be made with an intention to deceive the other party
 - D. All of the above

ANSWER: A

52. Which of the following agreements is void?
- A. Agreements made under the unilateral mistake of fact
 - B. Agreements made under the bilateral mistake of fact
 - C. Agreements made under the influence of fraud
 - D. Contingent agreement

ANSWER: B

53. Which of the following offers constitute a valid offer?
- A. An auctioneer displays a TV. set before a gathering in an auction sale
 - B. Ram who is in possession of three cars purchased in different years says -I will sell you a car.
 - C. A says to B, Will you purchase my motor cycle for Rs. 20,000?
 - D. All of the above

ANSWER: C

54. Contract caused by which of the following is void?
- A. Fraud
 - B. Misrepresentation
 - C. Coercion
 - D. Bilateral Mistake

ANSWER: D

55. What is legal terminology for the doing or not doing of something which the promisor desires to be done or not done?
- A. Desires
 - B. Consideration
 - C. Wishes
 - D. Promise

ANSWER: B

56. Goods must be the same as wanted by the seller. This is

- A. Condition as to description
- B. Condition as to wholesomeness
- C. Condition as to sample
- D. Condition as to title

ANSWER: A

57. Goods dependant upon certain events which may or may not happen.

- A. Unascertained goods
- B. Contingent goods
- C. Future goods
- D. Existing Goods

ANSWER: B

58. Which of the following is not an implied condition or warranty in a contract of sale:

- A. The seller may take back the possession of the goods at a future date
- B. The seller has a right to sell the goods and that in the case of an agreement to sell he will have a right to sell the goods at the time when the property is to pass
- C. The buyer shall have and enjoy quiet possession of the goods
- D. The goods shall be free from any charge or encumbrance in favour of any third party not declared or known to the buyer before or at the time when the contract is made.

ANSWER: A

59. 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)

ANSWER: A

60. Partnership

- A. Arises by operation of law
- B. Comes into existence only after registration
- C. Can arise by agreement or otherwise
- D. Arise by way of an agreement only

ANSWER: D

61. X and Y agree to work together as carpenters but X shall receive all profit and shall pay wages to Y. The relation between X and Y is that

- A. Partners
- B. Carpenters
- C. Labourers
- D. Master-Servant

ANSWER: D

62. Which of the following is an essential feature of partnership?

- A. Registration
- B. Test of Mutual Agency
- C. Separate Legal Entity
- D. All of the above

ANSWER: B

63. Implied contract, even if not in writing or express words, is perfectly _____ if other conditions are satisfied.

- A. Void
- B. Valid
- C. Voidable
- D. Illegal

ANSWER: B

64. R, an optical surgeon, employs S as the assistant for a term of three years and S agrees not to practice as a surgeon during this period. This contract is

- A. Valid
- B. Void
- C. (c) Voidable
- D. Illegal

ANSWER: A

65. Which of the following does not fall in the category of “goods”:

- A. Stock and shares
- B. Money and actionable claims
- C. Growing crops and grass
- D. Things attached to or forming the part of land which are agreed to be severed before sale or under contract of sale

ANSWER: A

66. A agrees to pay Rs. 500 to B if it rains, and B promises to pay a like amount to A if it does not rain, this agreement is called .

- A. Quasi Contract
- B. Contingent Contract
- C. Wagering Agreement
- D. Voidable Contract

ANSWER: C

67. When the offeree offers to qualified acceptance of the offer subject to modifications and variations he is said to have made a .

- A. Standing, open or continuing offer
- B. Counter Offer
- C. Cross Offers
- D. Special Offer

ANSWER: B

68. When after the formation of a valid contract, an event happens which makes the performance of contract impossible, and then the contract becomes .

- A. Void
- B. Voidable
- C. Valid
- D. Illegal

ANSWER: A

69. The basis of quasi contractual relations is the .

- A. Existence of a valid contract between the parties

- B. Prevention of unjust enrichment at the expense of others
- C. Provisions contained in Section 10 of the Contract Act
- D. Existence of a voidable contract between the parties

ANSWER: B

70. A agrees to pay Rs. 1000 to B if a certain ship returns within a year. However, the ship sinks within the year. In this case, the contract becomes

- A. Valid
- B. Void
- C. Voidable
- D. Illegal

ANSWER: B

71. The Sale of Goods Act, 1930 came into force on

- A. 15th March, 1930
- B. 1st July, 1930
- C. 30th July, 1930
- D. 30th June, 1930

ANSWER: B

72. Contract of Sale is

- A. Executory Contract
- B. Executed Contract
- C. Executory Contract or Executed Contract
- D. None of the above

ANSWER: C

73. Where in an auction sale, the seller appoints more than one bidder, the sale is

- A. Void
- B. Conditional
- C. Illegal
- D. Voidable

ANSWER: D

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

- A. Invalid and ineffective
- B. Valid and effective
- C. Conditional
- D. None of these

ANSWER: B

75. The property in the goods means the

- A. Possession of goods
- B. Ownership of goods
- C. Custody of goods
- D. Both (a) and (b)

ANSWER: B

76. Until goods are ascertained there is merely

- A. An agreement to sell

- B. A breach of condition
- C. A breach of warranty
- D. All the above

ANSWER: A

77. Which of the following is not correct?

- A. Minor can always plead minority.
- B. Minor is liable for necessaries supplied to him.
- C. Minor is a person who has not completed 18 years of age.
- D. Minor can be a beneficiary.

ANSWER: B

78. A company may be in the form of

- A. An unincorporated association,
- B. incorporated association,
- C. Both the above.
- D. None of the above

ANSWER: A

79. A student was motivated by his teacher to sell his car (value being Rs. 10,00,000/-) for fe 5,00,000/-. The student sold the same at the desired price of the teacher. The student can sat the teacher on the ground of:

- A. Undue Influence
- B. Misrepresentation.
- C. Fraud.
- D. Coercion.

ANSWER: A

80. Price- under the Sale of Goods Act, 1930 means

- A. Money or moneys worth.
- B. Monetary consideration for the sale of goods.
- C. Any consideration that can be expressed in terms of money
- D. None of the above

ANSWER: B

81. Goods that are identified and agreed upon at the time of contract of sale are known as

- A. Specific Goods
- B. Existing Goods
- C. Future Goods
- D. Generic Goods

ANSWER: A

82. An offer made to the public in general which anyone can accept and do the desired act is

- A. General Offer
- B. Special Offer
- C. Cross Offer
- D. Counter Offer

ANSWER: A

83. In case of an agreement to sell, subsequent loss or destruction of the goods is the liability of

- A. The buyer

- B. The seller
- C. Both the buyer and the seller
- D. The insurance company

ANSWER: B

84. Goods that are defined only by description and not identified and agreed upon at the time of contract of sale are known as

- A. Specific Goods
- B. Future Goods
- C. Existing Goods
- D. Unascertained Goods

ANSWER: D

85. Delivery by acknowledgment is

- A. Actual Delivery
- B. Symbolic Delivery
- C. Constructive Delivery
- D. None of the above

ANSWER: C

86. In case of a sale the position of a buver is that of

- A. Owner of the goods
- B. Hirer of the goods
- C. Bailee of the goods
- D. None of the above

ANSWER: A

87. Ratification by a minor of a contract entered during minority, even after he attains majority is not allowed.

- A. The above statement is correct
- B. The above statement is partly correct.
- C. The above statement is incorrect
- D. The above statement is irrelevant

ANSWER: A

88. An offer made to a definite person which can be accepted by the specified person only is

- A. Special Offer
- B. Accepted Offer
- C. General Offer
- D. Standing Offer

ANSWER: A

89. The position of a stranger to a contract and that of the stranger to a consideration is

- A. Partially different
- B. Partially same
- C. Entirely different
- D. Same

ANSWER: C

90. Provisions relating to doctrine of Caveat Emptor is laid down in the .

- A. Sale of Goods Act, 1930

- B. Indian Contract Act, 1872
- C. Indian Partnership Act, 1932
- D. Companies Act, 1956

ANSWER: A

91. A directs B who is a solicitor to sell his estate by auction and to employ an auctioneer for this purpose. B names C, an auctioneer, to conduct the sale. The status of C for the sale is

- A. C is an agent of A
- B. C is a sub-agent of A
- C. C is an agent of B
- D. C is neither an agent of A nor of B

ANSWER: A

92. A specific offer can be accepted by

- A. Any person
- B. Any friend of offerer
- C. The person the whom it is made
- D. Any friend of offeree

ANSWER: C

93. A letter of acceptance sufficiently stamped and duly addressed is put into course of transmission. there is

- A. A contract voidable at the option of acceptor
- B. A contract voidable at the option of offerer
- C. No contract at all
- D. A valid contract

ANSWER: D

94. A lends Rs 500 to B. he later tells B that he need not repay the amount, the contract is discharged by

-
- A. Breach
 - B. Waiver
 - C. Notation
 - D. Performance

ANSWER: B

95. Were a contract could not be performed because of the default by a third party on whose work the promiser relied, it _____

- A. is not discharged
- B. Is discharged
- C. Becomes void
- D. Becomes voidable

ANSWER: B

96. The court may grant rescission were the contract is _____

- A. Voidable at the option of the plaintiff
- B. Void
- C. Unenforceable
- D. Illegal

ANSWER: D

97. Specific performance may be ordered by the court when _____

- A. The contract is voidable
- B. The damages are an adequate remedy
- C. The damages are not an adequate remedy
- D. The contract is uncertain

ANSWER: C

98. _____ means any rule of action.

- A. law
- B. Contract
- C. legal
- D. social

ANSWER: A

99. Anticipatory breach of a contract takes place _____

- A. During the performance of the contract
- B. At the time when the performance is due
- C. Before the performance is due
- D. At the time when the contract is entered into

ANSWER: C

100. In case of wrongful dishonor of a chequer by a banker having sufficient fund to the credit of the customer, the court may award

- A. Ordinary damage
- B. Nominal damage
- C. Exemplary damage
- D. Contemptuous damages

ANSWER: C

101. The contract of indemnity is a _____

- A. Contingent contract
- B. Wagering contract
- C. Quasi-contract
- D. Void agreement

ANSWER: A

102. S and P go into a shop. S says to the shopkeeper - let P have the goods, and if he does not pay you, I will. This is a _____

- A. Contract of guarantee
- B. Contract of indemnity
- C. Wagering contract
- D. Quasi-contract

ANSWER: A

103. A bailor has _____

- A. A right of a particular lien over the goods bailed
- B. A right of general lien
- C. A right of both particular and general lien
- D. No lien at all over the goods bailed

ANSWER: C

104. The position of a finder of lost goods is that of a _____

- A. Bailer
- B. Bailee
- C. Bailee
- D. Principal debtors

ANSWER: C

105. A gratuitous bailment is one which is

- A. Supported by consideration
- B. Not Supported by consideration
- C. Not enforced by law
- D. Void

ANSWER: B

106. The transactions collateral to any illegal agreement is _____

- A. Not effected in any manner
- B. Also tainted with illegality
- C. Voidable at the option of the plaintiff
- D. Effected in any manner

ANSWER: B

107. Flaw in capacity to contract may arise from _____

- A. Lack of free consent
- B. Lack of consideration
- C. Minority
- D. Absence of legal formalities

ANSWER: C

108. A makes an offer to B on 10th by a letter which reaches B on 12th. B posts letter of acceptance on 14th which reaches A on 16th. The communication of acceptance is complete as against A on _____

- A. 12th
- B. 14th
- C. 16th
- D. 15th

ANSWER: C

109. Generally a person who is not a party to contract _____

- A. Cannot sue
- B. Can sue
- C. Can sue only in well- recognized cases
- D. can sue under contract of guarantee

ANSWER: A

110. A minor, by misrepresenting his age, borrows some money _____

- A. A minor, by He can be sued for fraud
- B. He cannot be sued for fraud
- C. He is liable to return the money
- D. He is not liable to return the money

ANSWER: B

111. A minors enters into a contract for the purchase of certain necessities. In such a case_____

- A. He is not personally liable to pay
- B. He is liable to pay
- C. His legal representative is liable to pay
- D. His legal representative is not liable to pay

ANSWER: A

112. A contract by an idiot is_____

- A. Voidable
- B. Enforceable
- C. Invalid
- D. Void ab initio

ANSWER: D

113. The contractual capacity of a company is regulated by_____

- A. Its memorandum of association and the provision of the companies act, 1956
- B. The terms of contract entered into with a third party
- C. Its article of association
- D. Its prospectus

ANSWER: A

114. Which of the relationships raise presumption of undue influence

- A. Land lord and tenant
- B. Parents and child
- C. Doctor and patient
- D. Husband and wife

ANSWER: C

115. If there is error in consensus, the agreement is _____

- A. Void
- B. Voidable
- C. unlawful
- D. illegal

ANSWER: A

116. What are the requisites of contract of sale:

- A. An Offer and delivery of goods
- B. An Offer to buy or sell goods, for a price and its acceptance
- C. An Offer, delivery, possession and acceptance
- D. An Offer, price, delivery and acceptance

ANSWER: C

117. When the promisee refuses to accept performance from the promioser who offers to perform, it is

- A. Attempted performance
- B. Vicarious performance
- C. recognised performance
- D. unrecognised performance

ANSWER: A

118. When a party to a contract transfers his contractual rights to another, it is known as _____
A. Rescission of contract
B. Waiver of contract
C. Discharge of contract
D. Assignment of contract

ANSWER: D

119. When two or more persons have made a joint promise, then unless a contrary intention appears from the contract, all such person must fulfill the promise _____

- A. Jointly
- B. Severally
- C. Jointly and severally
- D. Jointly or severally

ANSWER: D

120. Owing to a strike in the factory of A, he is not able to supply the goods to B as per the terms of the agreement. The agreement in such a case _____

- A. Discharged
- B. Is not discharged
- C. Becomes void
- D. Is voidable at option of A

ANSWER: B

121. If a contract contains an undertaking to perform impossibility, the contract is

- A. Void ab initio
- B. Void
- C. Voidable at the option of the plaintiff
- D. Illegal

ANSWER: A

122. The sale of goods act ,1930 dose not cover

- A. Existing good
- B. Immovable goods
- C. Future goods
- D. Services

ANSWER: B

123. In a hire purchase agreement, the hirer

- A. Has an option to buy the goods
- B. Must buy the goods
- C. Must return the goods
- D. Is not given the possession of the goods

ANSWER: A

124. A contract creates _____.

- A. rights in personam.
- B. rights in rem.
- C. only rights no obligations.
- D. only obligations and no rights

ANSWER: B

125. An agreement is _____.

- A. offer.
- B. offer + acceptance.
- C. offer + acceptance + consideration.
- D. contract.

ANSWER: B

126. When an agreement is discovered to be void, any person who have received any advantage under such agreement _____.

- A. is bound to restore it .
- B. is not bound to return it.
- C. may retain it .
- D. no need to return.

ANSWER: A

127. The right of subrogation in a contract of guarantee is available to the _____.

- A. creditors.
- B. principle debtors.
- C. surety.
- D. indemnifier.

ANSWER: C

128. The omission of the creditor to sue with in the period of limitation _____.

- A. Discharges the surety
- B. Does not discharge the surety.
- C. Makes the contract of guarantee void.
- D. Makes the contract illegal.

ANSWER: B

129. A gratuitous bailee is liable for defects in the goods bailed _____.

- A. Even if he is not aware of them.
- B. Only if he is aware of them.
- C. In all cases
- D. In particular case.

ANSWER: B

130. A who purchases certain goods from B by misrepresentation pledges them with C. the pledge is _____.

- A. Valid
- B. Void
- C. Voidable.
- D. Invalid.

ANSWER: A

131. If there no agreement, an agent is _____.

- A. Not entitled to any remuneration.
- B. Entitled reasonable remuneration.
- C. Entitled to remuneration which he thinks is reasonable.
- D. Gets commission only.

ANSWER: B

132. If a price is not determined by the parties in a contract of sale the buyer is bound to pay_____.

- A. The price demanded by the seller.
- B. A reasonable price.
- C. The price which the buyer is reasonable.
- D. Cost.

ANSWER: B

133. When there is n specific agreement as to place, the goods sold are to be delivered at the place_____.

- A. at which they are at time of sale.
- B. of the buyer.
- C. decide by the seller.
- D. to be determined by the seller.

ANSWER: A

134. A seller delivers goods in excess of the quantity ordered for. The buyer may_____.

- A. accept the whole.
- B. reject the whole.
- C. accept the goods ordered for and returns.
- D. accept the part of goods.

ANSWER: A

135. Where the neglected or refusal of the buyer to take delivery of goods amounts to a repudiation of the contract, the seller may sue for the _____.

- A. price or damages .
- B. price only .
- C. damages only.
- D. both for price and damages.

ANSWER: A

136. A contract made by mistake of foreign law is

- A. void
- B. valid
- C. voidable
- D. illegal

ANSWER: A

137. A minor is person who has not completed ____ years of age.

- A. 20
- B. 21
- C. 18
- D. 19

ANSWER: C

138. A person making a proposal is called

- A. promisor
- B. vendor
- C. contractor
- D. promisee

ANSWER: A

139. Acceptance in ignorance of the offer is

- A. valid
- B. void
- C. voidable
- D. illegal

ANSWER: B

140. Knock-out agreement are generally _____ in auction sale

- A. unlawful
- B. not unlawful
- C. void
- D. required

ANSWER: B

141. Promotion of litigation in which one had no interest is

- A. champerty
- B. maintenance
- C. stifling litigation
- D. none of the above

ANSWER: B

142. Anticipatory breach comes under

- A. law of contractual relationship
- B. law of mutual consent
- C. law of mutual agency
- D. law of limitation

ANSWER: A

143. Transfer of title by non-owners is dealt in section ___ of sale of goods act.

- A. 27-30
- B. 26-29
- C. 28-31
- D. 30-33

ANSWER: A

144. Rules regarding carriage by land is governed by

- A. The carriage act,1865 and The Indian railway act, 1989
- B. The carriage act,1865
- C. 1865 and The Indian railway act, 1989
- D. Indian contract act 1872

ANSWER: A

145. Rules regarding carriage by sea is governed by

- A. The Indian bill of lading act,1856
- B. The carriage of goods act by sea, 1925
- C. The Indian bill of lading act,1856 and The carriage of goods act by sea, 1925
- D. Indian contract 1872

ANSWER: C

146. Rules regarding carriage by air is governed by

- A. The carriage by air act,1972
- B. The carriage by air act,1952
- C. The carriage by air act,1932
- D. The carriage by air act,1872

ANSWER: A

147. Forwarding note is related to

- A. carriage by sea
- B. carriage by air
- C. carriage by land
- D. none of these

ANSWER: C

148. An agreement whereby a ship is hired for the exclusive use is called

- A. charter party
- B. voyage agreement
- C. sea agreement
- D. none of these

ANSWER: A

149. Bill of lading is issued by

- A. owner of the goods
- B. master of the ship
- C. seller of the goods
- D. railway officials

ANSWER: B

150. _____ law is one which is laid down in the acts of parliament.

- A. statute law
- B. case law
- C. merchant law
- D. equity

ANSWER: A

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