

# QB365 Question Bank Software Study Materials

## Elements of Contract and Performance Of Contract 50 Important 1 Marks Questions With Answers (Book Back and Creative)

11th Standard

Commerce

Total Marks : 50

### Multiple Choice Question

50 x 1 = 50

- 1) An Agreement enforceable by law is a \_\_\_\_\_.  
(a) Enforceable acceptance (b) Accepted offer (c) Approved promise **(d) Contract**
- 2) Every promise and every set of promises, forming the consideration for each other, is an \_\_\_\_\_.  
**(a) Agreement** (b) Contract (c) Offer (d) Acceptance
- 3) Void agreement signifies \_\_\_\_\_.  
(a) Agreement illegal in nature **(b) Agreement not enforceable by law** (c) Agreement violating legal procedure  
(d) Agreement against public policy
- 4) Acceptance to be valid must \_\_\_\_\_.  
(a) Be absolute (b) Be unqualified **(c) Both be absolute and unqualified** (d) Be conditional
- 5) A contract with or by a minor is a \_\_\_\_\_.  
(a) Valid contract **(b) Void contract** (c) Voidable contract (d) Voidable at the option of either party
- 6) On the valid performance of the contractual obligations by the parties, the contract \_\_\_\_\_.  
**(a) Is discharged** (b) Become enforceable (c) Becomes void (d) Becomes legal
- 7) 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 above**
- 8) A, B, C jointly promised to pay Rs. 50,000 to D. Before performance of the contract, C dies. Here, the contract \_\_\_\_\_.  
(a) Becomes void on C's death **(b) Should be performed by A and B along with C's legal representatives.**  
(c) Should be performed by A and B alone (d) Should be renewed between A, B and D
- 9) Which of these parties cannot demand performance of promise?  
(a) Promisee (b) Any of the joint promisees (c) On the death of a promisee, his legal representative  
**(d) Stranger to the contract**
- 10) A person is said to be a third person if he is not a \_\_\_\_\_.  
(a) Promisor (b) Promisee **(c) Agent** (d) Legal representative
- 11) The law relating to contracts is to be found in the Indian contract act \_\_\_\_\_.  
(a) 1962 **(b) 1972** (c) 1982 (d) 1992
- 12) 'A' promises to obtain for 'B' an employment in the public service and 'B' promises to pay Rs.5,00,000 to A. The agreement is \_\_\_\_\_.  
(a) Legal **(b) Illegal** (c) In good faith (d) Fraudulent
- 13) Incapacity to contract may arise from \_\_\_\_\_.  
(a) Minority (b) Unsound mind (c) Disqualified from any contract **(d) All the above**

- 14) Which one of the following is not correct ?
- (a) Agreement = Offer + Acceptance    (b) Agreement = Proposal + Acceptance    **(c) Agreement = Contract + Acceptance**  
 (d) Contract = Agreement + Enforceability by law
- 15) A appoints B as his agent, by way of a power of attorney. This is an example of \_\_\_\_\_.
- (a) express contract**    (b) implied contract    (c) tacit contract    (d) unlawful contract
- 16) Mercantile Law consists of .....
- (a) Commercial    (b) Business    **(c) Both (a) and (b)**    (d) None of these
- 17) Law of contract is neither the whole law of agreements nor it is the whole law of obligations. The statement is .....
- (a) False    **(b) True**    (c) Both (a) and (b)    (d) None of these
- 18) Law of contract is .....
- (a) neither the whole law of agreements nor is it the whole law of obligations**    (b) the whole law of agreements  
 (c) the whole law of obligations    (d) none of these
- 19) All void agreements are illegal. This statement is .....
- (a) true    **(b) false**    (c) both (a) and (b)    (d) none of these
- 20) An agreement is a voidable contract when it is .....
- (a) enforceable if certain conditions are fulfilled    **(b) enforceable by law at the option of the aggrieved party**  
 (c) enforceable by both the parties    (d) not enforceable at all
- 21) A contract .....
- (a) may be void as originally entered into    **(b) may become void subsequent to its formation**  
 (c) cannot become void under any circumstances    (d) may become void at the will of a party
- 22) The transactions collateral to an illegal agreement are .....
- (a) not affected in any manner    **(b) also tainted with illegality**    (c) voidable at the option of the plaintiff    (d) void
- 23) All contracts are agreements but all agreements are not contracts .....
- (a) true**    (b) false    (c) both (a) and (b)    (d) none of these
- 24) On the basis of validity the contract may be divided into \_\_\_\_\_ types.
- (a) 3    (b) 4    **(c) 5**    (d) 6
- 25) Indian contract act came into force on \_\_\_\_\_
- (a) 1.9.1872**    (b) 1.1.1972    (c) 1.4.1982    (d) 1.4.1872
- 26) An \_\_\_\_\_ enforceable by law is a contract.
- (a) offer    **(b) acceptance**    (c) agreement    (d) consideration
- 27) Agreement = offer + \_\_\_\_\_
- (a) consideration    **(b) acceptance**    (c) agreement    (d) offer
- 28) A contract made by word \_\_\_\_\_.
- (a) spoken    (b) written    (c) spoken or written    **(d) none of these**
- 29) Pick the odd one out from the following
- (a) valid contract    (b) void contract    (c) unenforceable contract    **(d) quasi contract**

30) Match list I with list II and select the correct answer using the codes given below.

list I	list II
i) Section 23	1) Capacity of parties
ii) Section 11	2) Certainty of terms
iii) Section 29	3) Possibility of performance
iv) Section 56	4) Lawful object

(a)	<b>(b)</b>	(c)	(d)
i) ii) iii) iv)	<b>i) ii) iii) iv)</b>	i) ii) iii) iv)	i) ii) iii) iv)
1 2 3 4	<b>4 2 1 3</b>	4 2 3 1	2 4 3 1

31) Offer to performance is also know as \_\_\_\_\_.

**(a) Tender** (b) Actual performance (c) Promise (d) Agent

32) A promise to paint a picture for B. This contract will be performed by \_\_\_\_\_.

(a) Agent (b) Legal representative **(c) Promisor by himself** (d) Promisee by himself

33) Promise which form consideration or part of consideration for each other are called as \_\_\_\_\_.

(a) Joint promise **(b) Reciprocal promise** (c) Devolution of Joint liabilities (d) Devolution of Joint Rights

34) When the two promises are said to be performed simultaneously, they are said to be \_\_\_\_\_.

(a) Mutual and Independent (b) Mutual and dependen **(c) Mutual and concurrent** (d) Conditional and dependent

35) A debtor owes several distinct debts to the same creditor and he has a right to instruct his creditor to which particular debts is to be adjusted is \_\_\_\_\_.

**(a) Application of payments where the debt to be discharged is indicated**

(b) Application of payments where he debt to be discharged is not indicated

(c) Application of payment where neither party appropriates (d) None of these

36) Every promise and every set of promises, forming the consideration for each other is an\_\_\_\_\_

**(a) agreement** (b) contract (c) offer (d) acceptance

37) When, at the desire of the promisor, the promisee or any other person has done or abstained from doing or, does or abstain from doing or promises to do or to abstain from doing something, such act or abstinence or promise under section 2(d) is called \_\_\_\_\_.

(a) Reciprocal promise **(b) consideration for the promise** (c) counter offer (d) acceptance

38) Promises which form the consideration or part there of for each other under section 2(F) are called\_\_\_\_\_

(a) acceptances for different proposals (b) agreements **(c) reciprocal promises** (d) consideration

39) In a valid contract, what comes first \_\_\_\_\_.

**(a) enforceability** (b) acceptance (c) promise (d) proposal

40) Void agreement signifies\_\_\_\_\_

(a) agreement illegal in nature **(b) agreement not enforceable by law** (c) agreement violating legal procedure

(d) agreement against public policy

41) Each party is a promisors and a promisee in case of\_\_\_\_\_.

(a) past consideration (b) present consideration (c) every contract **(d) reciprocal promisors**

42) 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
- 43) 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**
- 44) When two or more persons have made a joint promise then under a contrary intention appears from the contract all such persons must fulfil the promise\_\_\_\_\_.
- (a) Jointly**    (b) Separately    (c) Jointly and Severally    (d) Jointly or Separately
- 45) Contractual obligations involving personal skill cannot be assigned\_\_\_\_\_.
- (a) True**    (b) False    (c) None of these
- 46) Where the debtor does not intimate, the creditor has the right to appropriate payment to a time-barred debt. This Statement is\_\_\_\_\_.
- (a) True**    (b) False    (c) None of these
- 47) Only a \_\_\_\_\_ can demand the contract not a stranger.
- (a) relatives    (b) friends    **(c) promise**    (d) third party
- 48) A tender to be valid must be \_\_\_\_\_.
- (a) conditional    **(b) unconditional**    (c) optional    (d) none of these
- 49) \_\_\_\_\_ exception to "stranger to a Contract".
- (a) Promisee    (b) Legal representative    **(c) Third party**    (d) All the above
- 50) Application of payment where debt to be discharge is not indicated in section \_\_\_\_\_.
- (a) 85    (b) 80    (c) 70    **(d) 60**