

General Answer Key of 18th LawFoyer Quiz Competition on Indian Contract Act, 1872

Note: This is the official answer key of the 18th LawFoyer Quiz Competition on Indian Contract Act,1872. This is not the answer sheet of any candidate.

07:16 240/240
Time to complete Points

1

Score / 0 pts

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4

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When a person signifies to another his willingness to do or to abstain from doing something, with a view to obtaining the other person's assent to such an act or abstinence, he is said to make _____

- a. A contract
- b. A promise
- c. A proposal ✓
- d. An agreement
- e. An acceptance

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5

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2. An agreement that is enforceable by law at the option of one or more parties, but not at the option of the other party, is called _____

- a. A valid contract
- b. A void contract
- c. An illegal contract
- d. A voidable contract ✓
- e. An unenforceable contract

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✓ Correct 4/4 Points

6

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3. A contract that ceases to be enforceable by law is called _____

- a. A void contract ✓
- b. A valid contract
- c. A voidable contract
- d. An illegal contract
- e. An executory contract

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7

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4. When, at the desire of the promisor, the promisee or any other person performs or abstains from performing, or promises to perform or abstain from performing an act, such act or abstinence is referred to as _____

- a. A proposal
- b. An agreement
- c. A consideration ✓
- d. A contract
- e. An acceptance

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✓ Correct 4/4 Points

8

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5. When the person to whom a proposal is made signifies their assent, the proposal is considered _____

- a. A contract
- b. A promise ✓
- c. A void agreement
- d. A consideration
- e. An offer

4 / 4 pts
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✓ Correct 4/4 Points

9

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6. Every promise or set of promises that forms the consideration for each other is called _____

- a. A contract
- b. An offer
- c. A proposal
- d. An agreement ✓
- e. A voidable contract

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✓ Correct 4/4 Points

10

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7. Promises that form the consideration or part of the consideration for each other are called _____

- a. Voidable promises
- b. Conditional promises
- c. Reciprocal promises ✓
- d. Unilateral promises
- e. Executory promises

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✓ Correct 4/4 Points

11

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8. The communication of proposals, acceptances, and revocations is considered to occur by any act or omission of the party proposing, accepting, or revoking, which _____

- a. Forms a valid contract regardless of communication
- b. Intends or results in the communication of the proposal, acceptance, or revocation ✓
- c. Automatically binds the parties involved
- d. Requires formal written communication between the parties
- e. Is implied through mutual agreement

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✓ Correct 4/4 Points

12

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9. The communication of a proposal is considered complete when _____

- a. It is sent by the proposer
- b. The proposer performs an act to signify the proposal
- c. It is accepted by the other party
- d. It is acknowledged by a third party
- e. It comes to the knowledge of the person to whom it is made ✓

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✓ Correct 4/4 Points

13

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10. The communication of an acceptance is considered complete, as against the proposer, when _____

- a. The proposer acknowledges the acceptance
- b. The acceptance is sent and reaches the proposer
- c. It is put in a course of transmission to the proposer and is out of the power of the acceptor ✓
- d. The acceptance is received and confirmed by the proposer
- e. The proposal is retracted by the acceptor before it reaches the proposer

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14

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11. The communication of an acceptance is considered complete, as against the acceptor, when _____

- a. The proposer sends a confirmation
- b. The acceptance is put in transmission by the acceptor
- c. The proposal is accepted in writing
- d. The acceptance comes to the knowledge of the proposer ✓
- e. The acceptor sends a notification of acceptance

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✓ Correct 4/4 Points

15

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12. The communication of a revocation is considered complete, as against the person who makes it, when _____

- a. It is received by the other party
- b. It is put into a course of transmission and is out of the power of the person who makes it ✓
- c. The other party acknowledges the revocation
- d. It is verbally communicated
- e. It is withdrawn before being transmitted

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16

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13. The communication of a revocation is considered complete, as against the person to whom it is made, when _____

- a. It is received by a third party
- b. It is put into a course of transmission
- c. It comes to his knowledge ✓
- d. The revocation is rejected
- e. The acceptance is still pending

✓ Correct 4/4 Points

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17

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14. A proposal may be revoked at any time before _____

- a. The proposer sends the proposal
- b. The acceptor accepts the proposal
- c. The communication of acceptance is received by the proposer
- d. The communication of acceptance is complete as against the proposer ✓
- e. The acceptance is acknowledged by a third party

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18

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15. An acceptance may be revoked at any time before:

- a. The communication of the acceptance is complete as against the acceptor ✓
- b. The proposer receives the acceptance
- c. The proposal is retracted by the proposer
- d. The acceptance is transmitted
- e. The acceptor sends the acceptance

✓ Correct 4/4 Points

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19

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16. Under what circumstances is a proposal considered revoked as per the Contract Act?

- a. By the communication of acceptance by the acceptor to the proposer
- b. By the failure of the proposer to communicate the proposal properly.
- c. By the acceptor's failure to fulfil a condition subsequent to acceptance
- d. By the death or insanity of the proposer, even if the acceptor is unaware of it
- e. By the lapse of the time prescribed in the proposal for its acceptance, or by a reasonable time if no time is prescribed ✓

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20

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17. What are the conditions for converting a proposal into a promise according to the Contract Act?

- a. Acceptance must be conditional and in writing
- b. Acceptance must be absolute and unqualified, and expressed in a usual and reasonable manner unless otherwise prescribed ✓
- c. Acceptance must be absolute, unqualified, and communicated in any form, irrespective of the prescribed manner
- d. The proposer can insist on a different form of acceptance after the acceptance is communicated
- e. The acceptor must communicate the acceptance only in the manner prescribed, without exceptions

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21

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18. When is a proposal considered accepted according to the Contract Act?

- a. Only when communicated in writing
- b. Only when verbal consent is given by the acceptor
- c. When the conditions of the proposal are performed or consideration for a reciprocal promise is accepted ✓
- d. When the proposer reaffirms the proposal after initial communication
- e. Only after both parties sign a formal agreement

✓ **Correct** 4/4 Points

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22

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23. Which section deals with "Compensation for loss or damage caused by breach of contract"?

- a) Section 73 ✓
- b) Section 74
- c) Section 75
- d) Section 76

✓ **Correct** 4/4 Points

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23

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24. Which landmark case established that a contract without free consent is voidable?

- a) Mohori Bibee v. Dharmodas Ghose ✓
- b) Carlill v. Carbolic Smoke Ball Co.
- c) Balfour v. Balfour
- d) Hadley v. Baxendale

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24

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25. Which case is related to "performance of reciprocal promises"?

- a) Taylor v. Caldwell
- b) Carlill v. Carbolic Smoke Ball Co.
- c) Dunlop Pneumatic Tyre Co. Ltd v. Selfridge & Co. Ltd
- d) Lalman Shukla v. Gauri Dutt ✓

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25

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28. The Latin term "Consensus ad idem" means:

- a) Consideration must be lawful
- b) Parties must be of legal age
- c) Meeting of minds ✓
- d) Contract must be in writing

✓ **Correct** 4/4 Points

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26

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30. **Assertion (A):** A contract based on an unlawful object is void.
Reason (R): Indian Contract Act, 1872 states that all contracts must have a lawful object.

- a) Both A and R are correct, and R is the correct explanation of A ✓
- b) Both A and R are correct, but R is not the correct explanation of A
- c) A is correct, but R is incorrect
- d) A is incorrect, but R is correct

✓ **Correct** 4/4 Points

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27

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31. **Principle:** A minor is incompetent to contract.
Fact: X, a 16-year-old boy, takes a loan from Y and refuses to pay it back.

- a) X is liable to pay the loan
- b) X is not liable as the contract is void ab initio ✓
- c) Y can sue X's parents
- d) The contract is enforceable if X agrees later

✓ **Correct** 4/4 Points

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28

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32. **Arrange the following in chronological order of their enactment:**

- a. The Indian Contract Act
- b. The Sale of Goods Act
- c. The Specific Relief Act
- d. The Negotiable Instruments Act

- a) 1, 3, 4, 2 ✓
- b) 3, 1, 2, 4
- c) 1, 2, 3, 4
- d) 4, 3, 2, 1

✓ Correct 4/4 Points

29

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33. Which of the following statements is/are correct?

- a. A contract requires lawful consideration.
- b. An agreement enforceable by law is a contract.
- c. All agreements are contracts.
- d. Free consent is not essential for a valid contract.

- a) Only 1 and 2 ✓
- b) Only 1, 2, and 3
- c) Only 2 and 4
- d) All of the above

✓ Correct 4/4 Points

30

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34. Which of the following statements is incorrect?

- a) A minor can enter into a contract if it benefits him. ✓
- b) A contract without consideration is void unless it falls under exceptions.
- c) An agreement in restraint of marriage is void.
- d) A wagering contract is void and unenforceable.

✓ Correct 4/4 Points

31

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35. Which of the following rights is indirectly protected under the Indian Contract Act?

- a) Right to Life
- b) Right to Freedom of Trade ✓
- c) Right to Equality
- d) Right to Property

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32

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36. Which Act originally included provisions for "Contracts relating to Sale of Goods" and "Contracts relating to Partnership"?

- a) The Companies Act, 1956
- b) The Transfer of Property Act, 1882
- c) The Indian Contract Act, 1872 ✓
- d) The Sale of Goods Act, 1930

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33

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37. If a contract is signed by a person of unsound mind, the contract is:

- a) Void
- b) Valid
- c) Voidable at the option of the competent party
- d) Voidable at the option of the incompetent party ✓

✓ **Correct** 4/4 Points

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34

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38. A agrees to sell his car to B for ₹5,00,000. Later, A refuses to sell the car. B sues A. Under which section can B claim compensation?

- a) Section 73 ✓
- b) Section 74
- c) Section 75
- d) Section 78

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35

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39. Which of the following statements is true about the performance of a contract?

- a) Only the promisor can perform the contract.
- b) A third party can never perform a contract.
- c) A contract can be performed by an agent. ✓
- d) The court decides who performs a contract.

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36

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40. Which of the following does NOT result in discharge of contract?

- a) Performance
- b) Breach
- c) Death of promisor in all cases ✓
- d) Novation

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37

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41. The case of "Hadley v. Baxendale" is related to which principle?

- a) Specific performance
- b) Compensation for breach ✓
- c) Unjust enrichment
- d) Free consent

✓ **Correct** 4/4 Points

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38

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42. Under a contract of indemnity, the liability of the indemnifier arises when:

- a) The promisee suffers actual loss ✓
- b) The indemnifier commits a breach
- c) The promisee anticipates loss
- d) The contract is made

✓ **Correct** 4/4 Points

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39

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43. In a contract of guarantee, the person who gives the guarantee is called:

- a) Debtor
- b) Principal
- c) Surety ✓
- d) Agent

✓ **Correct** 4/4 Points

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40

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44. Bailment is defined under which section of the Indian Contract Act?

- a) Section 124
- b) Section 148 ✓
- c) Section 126
- d) Section 172

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41

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45. A "contingent contract" depends on:

- a) The will of one party
- b) A future uncertain event ✓
- c) A past event
- d) The consideration given

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✓ Correct 4/4 Points

42

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46. Which of the following is an example of a quasi-contract?

- a) A contract with consideration
- b) A contract induced by coercion
- c) A contract imposed by law ✓
- d) A contract entered by a minor

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✓ Correct 4/4 Points

43

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47. "Novation" refers to:

- a) Termination of a contract
- b) Substituting a new contract in place of the old one ✓
- c) Void agreement
- d) Unilateral breach

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✓ Correct 4/4 Points

44

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48. The doctrine of "Quantum Meruit" applies when:

- a) A contract is void
- b) A contract is partially performed ✓
- c) A party does not deliver goods
- d) A contract is unconscionable

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✓ Correct 4/4 Points

45

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49. **Assertion (A):** A minor is not competent to contract under the Indian Contract Act, 1872.
Reason (R): The law protects minors from their lack of understanding in contractual matters.

- a) Both A and R are true, and R is the correct explanation of A. ✓
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is true, but R is false.
- d) A is false, but R is true.

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✓ Correct 4/4 Points

46

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50. **Assertion (A):** A contract entered into under coercion is void.
Reason (R): Coercion vitiates free consent under Section 15 of the Indian Contract Act.

- a) Both A and R are true, and R is the correct explanation of A.
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is false, but R is true. ✓
- d) A is true, but R is false.

✓ Correct 4/4 Points

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47

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51. **Assertion (A):** Consideration must always be adequate for a valid contract.
Reason (R): The Indian Contract Act, 1872 requires that the consideration must be proportional to the promise made.

- a) Both A and R are true, and R is the correct explanation of A.
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is false, but R is true.
- d) Both A and R are false. ✓

✓ Correct 4/4 Points

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48

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52. **Assertion (A):** A contract with a legally disqualified person is void.
Reason (R): Persons of unsound mind and minors are legally disqualified from entering into contracts.

- a) Both A and R are true, and R is the correct explanation of A. ✓
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is false, but R is true.
- d) A is true, but R is false.

✓ Correct 4/4 Points

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49

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53. **Assertion (A):** An agreement without consideration is void.
Reason (R): Section 25 of the Indian Contract Act states that consideration is an essential element of a valid contract.

- a) Both A and R are true, and R is the correct explanation of A. ✓
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is false, but R is true.
- d) A is true, but R is false.

✓ **Correct** 4/4 Points

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50

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54. Which case is significant in the doctrine of frustration under Indian law?

- a) Satyabrata Ghose v. Mugneeram Bangur & Co. ✓
- b) Carlill v. Carbolic Smoke Ball Co.
- c) Balfour v. Balfour
- d) Hadley v. Baxendale

✓ **Correct** 4/4 Points

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51

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55. Which case established the principle that a contract without free consent is voidable?

- a) Raffles v. Wichelhaus
- b) Derry v. Peek
- c) Undue Influence case of Mannu Singh v. Umadat Pande ✓
- d) Hadley v. Baxendale

✓ **Correct** 4/4 Points

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52

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56. The rule of consequential damages in contract law was laid down in which case?

- a) Hadley v. Baxendale ✓
- b) Donoghue v. Stevenson
- c) Carlill v. Carbolic Smoke Ball Co.
- d) Mohori Bibee v. Dharmodas Ghose

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✓ Correct 4/4 Points

53

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58. **Assertion (A):** A contract induced by fraud is void.

Reason (R): Fraud destroys free consent, making the contract unenforceable by either party.

- a) Both A and R are true, and R is the correct explanation of A.
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is false, but R is true. ✓
- d) A is true, but R is false.

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✓ Correct 4/4 Points

54

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60. **Assertion (A):** Agreements restricting legal proceedings are void.

Reason (R): Section 28 of the Indian Contract Act makes such agreements illegal as they hinder access to justice.

- a) Both A and R are true, and R is the correct explanation of A. ✓
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is false, but R is true.
- d) A is true, but R is false.

4 / 4 pts
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✓ Correct 4/4 Points

55

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61. **Assertion (A):** A contingent contract dependent on an impossible event is void.

Reason (R): A contract to do something when an impossible event happens cannot be enforced.

- a) Both A and R are true, and R is the correct explanation of A. ✓
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is false, but R is true.
- d) A is true, but R is false.

✓ Correct 4/4 Points

4 / 4 pts
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56

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62. **Assertion (A):** A contract for personal services is specifically enforceable.
Reason (R): The Indian Contract Act ensures performance of all valid contracts.

- a) Both A and R are true, and R is the correct explanation of A.
- b) Both A and R are true, but R is not the correct explanation of A.
- c) A is false, but R is true. ✓
- d) A is true, but R is false.

✓ Correct 4/4 Points

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57

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63. Which case established that an agreement in restraint of trade is void in India?

- a) Mohori Bibee v. Dharmodas Ghose
- b) Gherulal Parakh v. Mahadeodas Maiya ✓
- c) Satyabrata Ghose v. Mugneeram Bangur & Co.
- d) Nordenfelt v. Maxim Nordenfelt Guns

✓ Correct 4/4 Points

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58

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64. Which case introduced the "Doctrine of Privity of Contract" in India?

- a) Dunlop Pneumatic Tyre Co. v. Selfridge & Co. Ltd.
- b) Carlill v. Carbolic Smoke Ball Co.
- c) Kedarnath Bhattacharji v. Gorie Mahomed ✓
- d) Currie v. Misa

✓ **Correct** 4/4 Points

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59

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65. Which case is associated with “Frustration of Contract” due to impossibility of performance?

- a) Krell v. Henry
- b) Hadley v. Baxendale
- c) Satyabrata Ghose v. Mugneeram Bangur & Co. ✓
- d) Balfour v. Balfour

✓ **Correct** 4/4 Points

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60

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66. The rule of “Caveat Emptor” (Buyer Beware) was applied in which case?

- a) Carlill v. Carbolic Smoke Ball Co.
- b) Mohori Bibee v. Dharmodas Ghose
- c) Hadley v. Baxendale
- d) Shital Kumar v. State of Bihar ✓

✓ **Correct** 4/4 Points

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61

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67. Which case deals with “Undue Influence” under contract law?

- a) Ranganayakamma v. Alwar Setti ✓
- b) Derry v. Peek
- c) Lalman Shukla v. Gauri Dutt
- d) Harvey v. Facey

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62

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How is a promise classified under the Contract Act?

- a. A promise is always express, regardless of how it is communicated
- b. A promise is express if the proposal or acceptance is made in writing only
- c. A promise is implied when it is made in words
- d. A promise is express if the proposal or acceptance is made in words, and implied if made otherwise than in words ✓
- e. A promise is implied only if both parties agree to it verbally

✓ **Correct** 4/4 Points

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63

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20. Which of the following statements accurately reflects the conditions under which an agreement becomes a contract under Indian contract law?

- a. An agreement is a contract if made by parties who consent freely, irrespective of whether the object or consideration is lawful
- b. A contract requires the free consent of parties competent to contract, a lawful consideration, and a lawful object, but the agreement must also be in writing and witnessed
- c. Any agreement with lawful consideration and lawful object automatically becomes a contract, even if consent is not entirely free
- d. All agreements are contracts if made by the free consent of competent parties, for lawful consideration and a lawful object, unless expressly declared void, and it may be subject to additional requirements like writing or witnesses if specified by existing laws ✓
- e. The law requires that every contract be in writing, witnessed, and registered to be valid, regardless of the consideration or object involved