

MGT611

Business & Labor Law

Question # 1 of 20 (Start time: 06:25:15 PM) Total Marks: 1

If two or more persons agree upon the same thing in the same sense, what is it called according to section 13 of Contract Act?

Select correct option:

Consent

Agreement

Promise

Contract

Reference: "Consent" defined Sec. 13: Two or more persons are said to consent when they agree upon the same thing in the same sense.

Question # 2 of 20 (Start time: 06:26:57 PM) Total Marks: 1

Committing, or threatening to commit, any act forbidden by Pakistan Penal Code is called _____.

Select correct option:

Coercion

Fraud

Misrepresentation

Mistake

Coercion Coercion" defined. "Coercion" is the committing, or threatening to commit, any act forbidden by the Pakistan Penal Code, or the unlawful detaining, or threatening to detain, any property, to the prejudice of any person whatever, with the intention of causing any person to enter into an agreement.

Quiz Start Time: 06:25 PM Time Left 88

sec(s)

Prepared By: Mudassar, Aamna, Shahana

Question # 3 of 20 (Start time: 06:27:37 PM) Total Marks: 1

Coercion is committing, or threatening to commit, any act forbidden by _____.

Select correct option:

Pakistan Penal Code

Criminal Procedure Code

Contract act

Civil Law

Coercion **Coercion" defined.** "Coercion" is the committing, or threatening to commit, any act forbidden by the Pakistan Penal Code, or the unlawful detaining, or threatening to detain, any property, to the prejudice of any person whatever, with the intention of causing any person to enter into an agreement.

Question # 4 of 20 (Start time: 06:27:56 PM) Total Marks: 1

A person who promises to compensate the loss in a contract of indemnity is called:

Select correct option:

Indemnifier

Indemnified

Indemnity holder

Indemnity owner

Rights of Indemnifier

A Settled principle of law is that after compensating the loss to indemnity holder, indemnifier is entitled to all the ways and means by which person indemnified might have protected himself for the loss.

Question # 5 of 20 (Start time: 06:28:47 PM) Total Marks: 1

Each party to a contract is both promisor and promise in case of _____.

Select correct option:

Present consideration

Prepared By: Mudassar, Aamna, Shahana

Reciprocal promises

Valid contract

Past consideration

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Question # 6 of 20 (Start time: 06:29:36 PM) Total Marks: 1

Section 126 of Contract Act provides that a contract of guarantee _____.

Select correct option:

May be oral

May be written

May either be oral or written

Must be written

Contract of Guarantee

Contract of Guarantee has been defined in section 126 of a Contract Act which is reproduced below:

“A contract of guarantee is a contract to perform the promise or discharge the liability of a third person in case of his default”. The person who gives the guarantee is called the “surety”; the person in respect of whose default the guarantee is given is called the “principal debtor”, and the person to whom the guarantee is given

Question # 7 of 20 (Start time: 06:30:18 PM) Total Marks: 1

Which section of Contract Act provides the test of soundness of mind to make a contract?

Select correct option:

Section 12

Section 13

Section 14

Section 15

It has also been provided in section 12 that a person who is usually of sound mind but occasionally of unsound mind may not enter into a contract when he is of unsound mind.

Prepared By: Mudassar, Aamna, Shahana

Question # 8 of 20 (Start time: 06:31:21 PM) Total Marks: 1

Which of the following is a Contingent Contract?

Select correct option:

Wagering contract

Contract through coercion

Contract for credit sale

Contract of guarantee

Question # 9 of 20 (Start time: 06:32:35 PM) Total Marks: 1

Fraud by one party in a contract is defined in which section of contract act?

Select correct option:

Section16

Section17

Section18

Section19

(1) coercion, as defined in section 15, or

(2) undue influence, as defined in section 16, or

(3) fraud, as defined in section 17, or

(4) misrepresentation, as defined in section 18, or

(5) mistake subject to the provisions of sections 20, 21, and 22.

Question # 10 of 20 (Start time: 06:33:12 PM) Total Marks: 1

Agreements without free consent are voidable under which section of Contract Act.

Select correct option:

Section 19

Section 20

Section 21

Section 22

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Agreement without free consent are voidable Section 19 When consent to an agreement is caused by coercion, undue influence, fraud or misrepresentation, the agreement is a contract voidable at the option of the party whose consent was so caused, A party to a contract, whose consent was caused by fraud or misrepresentation, may, if he thinks fit, insist that the contract shall be performed, and that he shall be put in the position in which he would have been if the representations made had been true

Question # 11 of 20 (Start time: 06:34:30 PM) Total Marks: 1

Which of the following is NOT true about Law?

Select correct option:

Law is to maintain rights

Law upholds justice

Law is used to redress wrongs

Law does not ensures public order

Question # 12 of 20 (Start time: 06:35:03 PM) Total Marks: 1

An agreement to do impossible act, without the knowledge of parties that it is impossible, _____.

Select correct option:

Is void

Is voidable

Void ab initio

Becomes void on discovery of impossibility

Question # 13 of 20 (Start time: 06:36:01 PM) Total Marks: 1

Common rule of law is that there is no fraud if:

Select correct option:

The other party is deceived

There is some damage of other party

There is no damage of other party

There is false representation

Prepared By: Mudassar, Aamna, Shahana

Question # 14 of 20 (Start time: 06:36:55 PM) Total Marks: 1

Mr. A delivers a piece of cloth to tailor to make a suit. This is _____.

Select correct option:

A contract of indemnity

A contract of bailment

A contract of pledge

Not a contract

Bailment

The definition of bailment as contained in section 148 is given here under:

A “bailment” is the delivery of goods by one person to another for some purpose, upon a contract that they shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of the person delivering them. The person delivering the goods is called the “bailor”. The person to whom they are delivered is called the “bailee”

Question # 15 of 20 (Start time: 06:38:51 PM) Total Marks: 1

Competent parties to a valid contract are defined in which section of contract act?

Select correct option:

Section 10

Section 11

Section 12

Section 13

Competent Parties The parties to an agreement must be competent in the eyes of law otherwise the agreement cannot be enforced by the court of law. According to section 11, following persons are competent to enter into a contract: ☐ having attained the age of majority ☐ of sound mind ☐ not disqualified from contracting by any law to which he is subject

Question # 16 of 20 (Start time: 06:39:28 PM) Total Marks: 1

If two parties choose to enter into contracts with knowledge of the commercial usage governing them, who will decide the terms of contract?

Select correct option:

Court

Prepared By: Mudassar, Aamna, Shahana

Contract act

The two parties

The two parties along with court

It is for the parties to decide on what terms contracts would be entered into and if they choose to enter into contracts with knowledge of the commercial usage governing them, they are bound by them. In a commercial contract, a term may be implied in accordance with the usage of the trade or business to which the contract pertains.

Question # 17 of 20 (Start time: 06:41:07 PM) Total Marks: 1

In which of the following conditions, specific performance can be granted?

Select correct option:

Where contract is inequitable to either party

Where compensation can not be obtained

Where monetary compensation is adequate remedy

Where contract is revocable by nature

Question # 18 of 20 (Start time: 06:43:00 PM) Total Marks: 1

A contract to do or not to do something, if some event collateral to such contract, does or does not happen is called _____.

Select correct option:

Quasi contract

Wagering contract

Contingent contract

Bilateral contract

Contingent Contract (Sec. 31)

Contingent contract shall be explained in detail in later discussion on the topic.

A contingent contract is a contract to do or not to do something, if some event, collateral to such contract, does or does not happen.

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Question # 19 of 20 (Start time: 06:43:40 PM) Total Marks: 1

According to section 10 of contract act, an agreement in order to become a valid contract, must not be one of those that are expressly declared to be _____ by the law.

Select correct option:

Void

Voidable

Illegal

Unenforceable

Agreements expressly declared void (section 10)

What agreements are contracts? All agreements are contracts if they are made by the free consent of parties competent to contract, for a lawful consideration and with a lawful object, and are not hereby expressly declared to be void. Nothing herein contained shall affect any law in force in India, and not hereby expressly repealed, by which any contract is required to be made in writing or in the presence of witnesses, or any law relating to the registration of documents. The first paragraph of this section is developed and applied by the more specific provisions of several following sections, which will be considered as they occur.

Question # 20 of 20 (Start time: 06:45:04 PM) Total Marks: 1

When a party to contract undertakes to perform an “impossibility”, the contract becomes _____.

Select correct option:

Void

Voidable

Void ab initio

Illegal

Agreements contingent on impossible events void (sec 36): ---Contingent agreements to do or not to do anything, if an impossible event happens, are void, whether the impossibility of the event is known or not to the parties to the agreement at the time when it is made.

Question: When a promise is to be performed without application of promise, and no place is fixed for the performance of it, what the promisor can do to perform the promise?

He can perform the promise anywhere

He must perform the promise at promisee's house

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He has to apply to the promise to appoint a place

He is not liable to perform the promise as the contract is not valid

Question: Mr. A borrows Rs. 1000 from Mr. B and keeps his watch as security for payment of debt. It is called _____.

Bailment

Pledge

Guarantee

Indemnity

"Pledge," "pawnor," and "pawnee" defined. The bailment of goods as security for payment of a debt or performance of a promise is called "pledge". The bailor is in this case called the "pawnor." The bailee is called the "pawnee."

Question: Sale of goods on cash is an example of _____.

Mutual and independent promises

Mutual and concurrent promises

Conditional and independent promises

None of the given options

Reciprocal Promises: Section 51

When a contract consists of reciprocal promises to be simultaneously performed, no Promisor need to perform his promise unless the Promisee is ready and willing to perform his reciprocal promise.

Illustrations

(a) A and B contract that A shall deliver goods to B to be paid for by B on delivery.

(b) A need not deliver the goods unless B is ready and willing to pay for the goods on delivery.

(c) B need not pay for the goods unless A is ready and willing to deliver them on payment.

A and B contract that A shall deliver goods to B at a price to be paid by installments, the first installment to be paid on delivery. A need not deliver unless B, is ready and willing to pay the first installment on delivery. B need not pay the first installment unless A is ready and willing to deliver the goods on payment of the first installment.

Agreement regarding sale/Purchase of goods: Seller has to deliver goods and purchaser to pay the amount simultaneously as per agreement

Question: In situations where there are different laws in different provinces, which law shall be applicable?

Law of province in which the contract was made

Law of province in which the contract was executed

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The federal law instead of provincial laws

As settled between the parties

Law applicable where different Laws in different Provinces

In such situations the law applicable shall be the law of province in which the contract was made.

Question: Which of the following is not a remedy for breach of contract?

Suit for penalty

Suit for specific performance

Suit upon quantum meruit

Suit for injunction

Compensation for breach of contract where penalty stipulated for: sec. 74 When a contract has been broken, if a sum is named in the contract as the amount to be paid in case of such breach, or if the contract contains any other stipulation by way of penalty, the party complaining of breach is entitled, whether or not actual damage or loss is proved to have been caused thereby, to receive from the party who has broken the contract reasonable compensation not exceeding the amount so named or, as the case may be, the penalty stipulated for.

Question: When a party to contract undertakes to perform an “impossibility”, the contract becomes _____.

Void

Voidable

Void ab initio

Illegal

Question: According to section 2(b) of contract act, when a proposal is accepted, it becomes:

An agreement

A contract

An offer

A promise

Agreement Every promise or every set of promises, forming the consideration for each other is an agreement. To understand an agreement, we must know what a promise is. The promise has been defined in section 2 (b) of the Act which is reproduced below: **Promise** When the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted. **A when accepted becomes a promise.**

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Question: Which of the following statements about a minor, who by misrepresenting his age borrows money, is true?

He can be sued for fraud

He can be sued for misrepresenting

Liable to return money

Not liable to return money

Refrance: Where a person on attaining majority pays off debt incurred by him during minority, no question of ratification of a contract arises, **since an agreement with a minor is merely void and not unlawful**, the sum paid cannot be sued for subsequently, and in law it must be regarded on the same footing as a gift.

Question: A painter contracts to paint a picture for his customer for Rs. 1000. Who can perform the contract?

The painter himself

Assistant of painter who is also a painter

A student of painter who is learning painting

Painter or his assistant only

Question: The Section 2(g) of contract act defines that an agreement not enforceable by law is said to be:

Void

Valid agreement

Void agreement

Voidable agreement

Question: Which of the following is NOT a classification of jurisprudence?

Analytical jurisprudence

Political jurisprudence

Historical jurisprudence

Ethical jurisprudence

Kinds of jurisprudence including the following: i) Analytical jurisprudence ii) Historical jurisprudence iii) Ethical jurisprudence

Question: Competent parties to a valid contract are defined in which section of contract act?

Prepared By: Mudassar, Aamna, Shahana

Section 10

Section 12

Section 13

Section 11

Competent Parties The parties to an agreement must be competent in the eyes of law otherwise the agreement cannot be enforced by the court of law. According to section 11, following persons are competent to enter into a contract: ☐ having attained the age of majority ☐ of sound mind ☐ not disqualified from contracting by any law to which he is subject

Question: The attainment of justice is the main object of _____.

Analytical jurisprudence

Historical jurisprudence

Ethical jurisprudence

Judicial jurisprudence

Ethical jurisprudence It deals with the law that should be in an ideal state. It lays down the different purposes which should be fulfilled in an ideal state. It studies the modifications in the existing law in order to achieve these purposes and objects. The main object of ethical jurisprudence is the attainment of justice.

Question: Promises which form the consideration for each other are called _____ promises.

Reciprocal

Dependent

Mutual

Independent

Question: According to section 17 of contract act, which of the following includes ‘the suggestion, as a fact, of that which is not true by a contracting party who does not believe it to be true’?

Misrepresentation

Fraud

Coercion

Undue influence

fraud, as defined in section 17

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Question: When a person positively asserts that a fact is true but his information does not warrant it to be so, though he believes it to be true, this is a case of:

Select correct option:

Fraud

Coercion

Undue influence

Misrepresentation

Question: According to section 11, which of the following persons is NOT considered competent to enter into a contract?

Person attained the age of majority

Person titled a minor by law

Person with a sound mind

Person not disqualified from contracting

According to section 11, following persons are competent to enter into a contract: ☐ having attained the age of majority ☐ of sound mind ☐ not disqualified from contracting by any law to which he is subject

Question: A contract of guarantee comprises of how many agreements?

One

Two

Three

None

Question: Which section of Contract Act provides the test of soundness of mind to make a contract?

Section 12

Section 13

Section 14

Section 11

Question # 1 of 20 (Start time: 07:10:31 PM) Total Marks: 1

Prepared By: Mudassar, Aamna, Shahana

Which of the following is an essential of a contract of Guarantee?

Select correct option:

Consideration of a contract

Avoidance of misrepresentation

Can be oral or written

All of the given options

Essentials of a Contract of Guarantee ☐ Consideration ☐ No misrepresentation ☐ Writing not necessary

Question # 2 of 20 (Start time: 07:12:14 PM) Total Marks: 1

Which of the following is termed as science of civil law?

Select correct option:

Jurisprudence

Court

Business law

Labour law

Salmond's versions about jurisprudence

Salmond gives two meanings to the term, one in its wide sense, and another in its narrow sense:

(a) In its primary sense, jurisprudence means 'the science of civil law'

Question # 3 of 20 (Start time: 07:12:56 PM) Total Marks: 1

Unlawful detention of any property belonging to another with a view to obtain his consent amounts to:

Select correct option:

Coercion

Fraud

Misrepresentation

Undue influence

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Question # 4 of 20 (Start time: 07:13:27 PM) Total Marks: 1

Which of the following is not a remedy for breach of contract?

Select correct option:

Suit for penalty

Suit for specific performance

Suit upon quantum meruit

Suit for injunction

Question # 5 of 20 (Start time: 07:14:04 PM) Total Marks: 1

Consent under undue influence makes contract _____.

Select correct option:

Valid

Void

Voidable

Unenforceable

Question # 7 of 20 (Start time: 07:17:40 PM) Total Marks: 1

Mr. S delivered some ornaments for safe custody to his neighbor, without any charge for that. This is _____.

Select correct option:

Contract of indemnity

Contract of bailment

Contract of pledge

Not a valid contract

Question # 8 of 20 (Start time: 07:18:53 PM) Total Marks: 1

Prepared By: Mudassar, Aamna, Shahana

Which of the following is NOT an essential for a valid proposal?

Select correct option:

The terms of the offer must be definite and clear

The offer must be capable of creating legal relationships

The offer must be communicated to the other party

The offer must be in written form

Question # 9 of 20 (Start time: 07:20:00 PM) Total Marks: 1

Each party to a contract is both promisor and promisee in case of _____.

Select correct option:

Present consideration

Reciprocal promises

Valid contract

Past consideration (Teacher write here part, which is not a type of consideration)

Question # 10 of 20 (Start time: 07:20:31 PM) Total Marks: 1

According to section 39 of contract act, if promisor refused to perform the contract or disabled himself from performing the contract, what the promisee can do?

Select correct option:

He must put an end to contract

He may terminate the contract

He can not claim compensation

The contract become void and nothing can be done by promisee

Dissolution of a Firm:

It is contained in section 39

Question # 11 of 20 (Start time: 07:21:49 PM) Total Marks: 1

Promises which form the consideration for each other are called _____ promises.

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Select correct option:

Reciprocal

Dependent

Mutual

Independent

Question # 12 of 20 (Start time: 07:22:18 PM) Total Marks: 1

An investigation of the theory of legislation, precedent and custom is done by _____.

Select correct option:

Analytical jurisprudence

Historical jurisprudence

Ethical jurisprudence

Political jurisprudence

Analytical jurisprudence It analyses the prevalent law, that is, the principles of law as these exist now. It also studies theory of legislation, precedent and customs and study of different legal concepts such as property, possession, trust, contract, negligence etc.

Question # 13 of 20 (Start time: 07:22:59 PM) Total Marks: 1

If two parties choose to enter into contracts with knowledge of the commercial usage governing them, who will decide the terms of contract?

Select correct option:

Court

Contract act

The two parties

The two parties along with court

Question # 14 of 20 (Start time: 07:24:01 PM) Total Marks: 1

The court may grant rescission in all of the following cases, EXCEPT:

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Select correct option:

The contract is voidable by plaintiff

The contract is voidable by blamed

The contract is not performed as per settlement

The contract is breached by one of the party

Question # 15 of 20 (Start time: 07:25:06 PM) Total Marks: 1

According to section 10 of contract act, an agreement in order to become a valid contract, must not be one of those that are expressly declared to be _____ by the law.

Select correct option:

Void

Voidable

Illegal

Unenforceable

Question # 16 of 20 (Start time: 07:26:10 PM) Total Marks: 1

Which of the following statements about a minor, who by misrepresenting his age borrows money, is true?

Select correct option:

He can be sued for fraud

He can be sued for misrepresenting

Liable to return money

Not liable to return money

Question # 17 of 20 (Start time: 07:27:29 PM) Total Marks: 1

Following are the essentials of a valid acceptance, EXCEPT:

Select correct option:

Acceptance must be conditional

Acceptance must be communicated to the offeror

Acceptance must be in response to an offer

Acceptance must be in prescribed manner

Question # 18 of 20 (Start time: 07:28:22 PM) Total Marks: 1

An offer to perform promise from one of several Joint Promises is:

Select correct option:

A valid offer

An invalid offer

Breach of contract

A conditional offer

Question # 19 of 20 (Start time: 07:29:43 PM) Total Marks: 1

A contract of guarantee comprises of how many agreements?

Select correct option:

One

Two

Three

None of the given options

Question # 20 of 20 (Start time: 07:30:10 PM) Total Marks: 1

The evolution of law over a period of time is studied as _____.

Select correct option:

Historical jurisprudence

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Ethical jurisprudence

Legal history

Analytical jurisprudence

Historical jurisprudence It studies history of law and evolution of law over a period of time and also amendments, introduction of new principles of law. **Scope of Historical Jurisprudence** It studies the principles of law in their origin and developments that take place over a period of time. We can say that it gives the past history of important existing legal conception and principles of a particular system. For instance, the origin and development of the nature of private property, of individual ownership, of contract, etc. The object of historical jurisprudence is to vindicate the earliest of mankind as they are reflected in ancient law and to point out their relation to the modern thought. This branch is not the same thing as legal history.

Question:

When a person signifies to another his willingness to do or to abstain from doing anything with a view to obtaining the assent of that other to such act or abstinence he is, according to section 2(a) of Contract Act, said to _____.

- ▶ Make a proposal
- ▶ Make an obligation
- ▶ Formulate a contract
- ▶ Formulate an agreement

Proposal—defined Sec. 2 (a)

When one person signifies to another his willingness to do or to abstain from doing any thing, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a proposal

Question No: 1 (Marks: 1) - Please choose one

Which of the following is NOT true about Law?

- ▶ Law is to maintain rights
- ▶ Law upholds justice
- ▶ Law is used to redress wrongs
- ▶ Law does not ensures public order

Question No: 2 (Marks: 1) - Please choose one

Which of the following is termed as science of civil law?

- ▶ Jurisprudence
- ▶ Court
- ▶ Business law
- ▶ Labour law

Question No: 3 (Marks: 1) - Please choose one

Principles of law as they currently exist are studied under which of the following?

- ▶ Analytical jurisprudence

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- ▶ Historical jurisprudence
- ▶ Ethical jurisprudence
- ▶ Both analytical and historical jurisprudence

Question No: 4 (Marks: 1) - Please choose one

Which of the following deals with the law that should be in an ideal state?

- ▶ Commercial jurisprudence
- ▶ Analytical jurisprudence
- ▶ Historical jurisprudence
- ▶ **Ethical jurisprudence**

Question No: 5 (Marks: 1) - Please choose one

By definition, a contract is:

- ▶ An agreement
- ▶ A legal obligation
- ▶ **Both an agreement and a legal obligation**
- ▶ Neither an agreement nor a legal obligation

Question No: 6 (Marks: 1) - Please choose one

According to section 2(e) of contract act, every promise and every set of promises, forming the consideration for each other is:

- ▶ A contract
- ▶ **An agreement**
- ▶ An obligation
- ▶ A proposal

Question No: 7 (Marks: 1) - Please choose one

When a person signifies to another his willingness to do or to abstain from doing anything with a view to obtaining the assent of that other to such act or abstinence he is, according to section 2(a) of Contract Act, said to _____.

- ▶ **Make a proposal**
- ▶ Make an obligation
- ▶ Formulate a contract
- ▶ Formulate an agreement

Question No: 8 (Marks: 1) - Please choose one

Mr. Asad agrees to construct Mr. Basheer's house for Rs. 10 lac. What is the consideration for Mr. Asad?

- ▶ Construction of the house by Mr. Asad
- ▶ **Construction of the house by Mr. Basheer**
- ▶ Promise to pay Rs. 10 lac by Mr. Asad
- ▶ Promise to pay Rs. 10 lac by Mr. Basheer

Question No: 9 (Marks: 1) - Please choose one

Consent caused by a Fraud makes a contract:

- ▶ Void

- ▶ **Voidable**
- ▶ Unenforceable
- ▶ Invalid

Question No: 10 (Marks: 1) - Please choose one

A police officer bought a property worth one lac rupees for Rs.50000 from an accused under his custody. The contract was done by:

- ▶ **Undue influence**
- ▶ Fraud
- ▶ Coercion
- ▶ Consent

Question No: 11 (Marks: 1) - Please choose one

In Undue Influence, the consent is obtained by:

- ▶ Threat
- ▶ Fraud
- ▶ **Domination**
- ▶ Physical force

Undue influence It means the exercise of the power or influence by a person who has some control or influence on the other person, it is not just the existence of the influence or position of dominance but to prove undue influence, it is required that influence of the power/ dominance vested in a person has been exercised to derive undue advantage from the other party. In certain situations a party is in a position of dominance over other party.

Question No: 12 (Marks: 1) - Please choose one

The dominating party, in case of Undue Influence, can disprove the presumption by arguing all, EXCEPT:

- ▶ The facts were fully disclosed
- ▶ The consideration was enough
- ▶ The dominated party was in a position to receive independent advice
- ▶ **The dominated party did not gave his free consent**

Question No: 13 (Marks: 1) - Please choose one

When a person does an act which is against public duty, the agreement is _____.

- ▶ Valid
- ▶ Void
- ▶ Voidable
- ▶ **Illegal**

Question No: 14 (Marks: 1) - Please choose one

All of the following are the agreements that are expressly declared to be void by the law, EXCEPT:

- ▶ Agreement in restraint of marriage
- ▶ Agreements in restraint of trade
- ▶ **Agreement made with consideration**
- ▶ Agreement by way of wager

Question No: 15 (Marks: 1) - Please choose one

An agreement in which one party agrees to close his business against the promise of the other party to pay some amount is _____.

- ▶ Valid
- ▶ **Void**
- ▶ Voidable
- ▶ Unlawful

Question No: 16 (Marks: 1) - Please choose one

Each party to a contract is both promisor and promisee in case of _____.

- ▶ Present consideration
- ▶ Reciprocal promises
- ▶ Valid contract
- ▶ **Part consideration**

Question No: 17 (Marks: 1) - Please choose one

When a contract subsequently becomes difficult to perform due to unanticipated events, it _____.

- ▶ Becomes void
- ▶ Becomes voidable
- ▶ **Is discharged**
- ▶ Is not discharged

Question No: 18 (Marks: 1) - Please choose one

In which of the following cases, the court may refuse to grant rescission?

- ▶ **When plaintiff has not expressly ratified the contract**
- ▶ When parties can not be restored to their original position due to changed circumstances
- ▶ When a third party has acquired right in good faith and value
- ▶ When only a part of contract is to be rescinded and such part can not be separated from the rest of contract

Question No: 19 (Marks: 1) - Please choose one

According to section 148 of Contract Act 1872, the delivery of goods by one party to another for some purpose upon a contract that these shall be returned when promise is accomplished, is called _____.

- ▶ Pledge
- ▶ **Bailment**
- ▶ Guarantee
- ▶ Indemnity

Question No: 20 (Marks: 1) - Please choose one

A pledge can also be called as _____.

- ▶ Bailment
- ▶ Guarantee
- ▶ Indemnity

► **Pawn**

Question No: 21 (Marks: 1) - Please choose one

A person is appointed as General Manager of a firm. Which of the following is most suitable title for him?

- Special agent
- Universal agent
- **General agent**
- Co-agent

Question No: 22 (Marks: 1) - Please choose one

Mr. B, at request of Mr. A, sells goods which Mr. A had no right to sell. Mr. B does not know this and sends money to Mr. A. Afterwards, Mr. C, the true owner of the goods, sued Mr. B and recovers the money. Which of the following is true?

- **Mr. A is liable to Mr. B**
- Mr. B is liable to Mr. C
- Mr. A is liable to Mr. C
- Mr. A is not liable to anyone

Question No: 23 (Marks: 1) - Please choose one

Which of the following is **NOT** a duty of principal in contract of agency?

- To indemnify the lawful acts
- To pay remunerations
- **To render accounts (Doubt here)**
- To indemnify the acts done in good faith

Question No: 24 (Marks: 1) - Please choose one

What is the legal status of a decision about business timings, fixed by a market association, that every shop will be closed by 08:00 PM?

- Void; as it is in restraint of trade
- Illegal; as it is imposed on other party
- Unlawful; as it is against the free consent of the other party
- **Vaild; as it is considered as a general business practice**

Question No: 25 (Marks: 1) - Please choose one

Which of the following is true regarding a Fraud or Misrepresentation if it had not effect the consent and made any damages to a concerned party?

- It makes the contract void.
- **It makes the contract voidable.**
- It renders the contract illegal.
- None of the given options stand true.

Question No: 26 (Marks: 1) - Please choose one

The soundness of mind of a person is proved by:

- The capacity of a perosn to recall his past incidents
- The person's age of majority i-e above 18 years

- ▶ The judgment of court regarding the soundness of mind
- ▶ **The capability of understanding terms of contract & act rationally**

Question No: 27 (Marks: 1) - Please choose one

Samina promised to employ Naila for a salary of Rs.3000 from September next. Which type of contract is it?

- ▶ Contingent contract
- ▶ Void contract
- ▶ Executed contract
- ▶ **Executory contract**

Question No: 28 (Marks: 1) - Please choose one

Ashraf contracted Bilal to buy 1bale of cotton for Rs.80000 at a specific date. Ashraf also made a contract with Hassan to sell this cotton for Rs.1 lac; Bilal was fully aware of this contract with Hassan, but on the specific date Bilal failed to supply the cotton to Ashraf due to which Ashraf had failed to fulfill the contract with Hassan. In this case Bilal is liable for which kind of damages?

- ▶ Ordinary damages
- ▶ Special damages
- ▶ Exemplary damages
- ▶ **Liquidated damages**

Liquidated damages

Section 74 stipulates that if parties to a contract have mentioned the amount of damages for the breach at the time of entering into contract, such damages shall be recoverable and these will be called as liquidated damages, liquidated damages also signifies a fair and reasonable estimate of loss which a party may suffer due to breach of contract, the section 74 is reproduced here under for reference.

Question No: 30 (Marks: 3)

How does the breach of contract take place? Explain by citing an example.

Answer:

“A breach of contract occurs when a party thereto renounces his liability under it, or by his own act makes it impossible that he should perform his obligations under it or totally or partially fails to perform such obligations.”

Illustration 1:

Mr. Z (seller) enters into a contract with Mr. Y a purchaser for sale of specified goods as per stipulations of contract. Mr. Z breaks his promise; Mr. Y is entitled to receive from Mr. Z a particular amount as compensation.

Question No: 31 (Marks: 5)

Can a Contingent Contract about an uncertain future event be enforced? If yes, when can it be enforced; and if no, give reasons why it cannot be enforced.

Answer:

Yes, in contingent contract uncertain future even be enforced.

Contingent Contract (Sec. 31)

Contingent contract shall be explained in detail in later discussion on the topic.

A contingent contract is a contract to do or not to do something, if some event, collateral to such contract, does or does not happen.

Illustrations:

M/S ABC insurance company contracts with Mr. Z to pay Rupees 500,000 if his car is lifted by thieves

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Question No: 32 (Marks: 5)

Discuss and explain the statement: “Agency refers to the relationship which exists between two persons, the Principal and the Agent.”

Answer:

Contract of Agency

In general terms, Agency refers to the relationship which exists between two persons, the **Principal** and the **Agent** in which the Agent has to perform different duties/ functions as per instructions of the **principal** and also enters into contract with the third party / parties on behalf of the principal. The relationship of agency plays an important role in business and commercial dealings. This relationship is legal created by virtue of agreement between **Principal** and **Agent**.

Definition of Agent and Principal: Sec. 182

Agent is a person employed to do any act for another or to represent another in dealing with a third persons. The person for whom such act is done, or who is so represented, is called the **Principal**.