



## BRAINWARE UNIVERSITY

**Term End Examination 2021 - 22**  
**Programme – Bachelor of Law**  
**Course Name – Law of Contract II**  
**Course Code - LLB205**  
**( Semester II )**

**Time allotted : 1 Hrs.15 Min.**

**Full Marks : 60**

[The figure in the margin indicates full marks.]

### Group-A

(Multiple Choice Type Question)

1 x 60=60

*Choose the correct alternative from the following :*

- (1) Section 124, of the Contract Act, define
 

a) Contracts of minor	b) Contracts of conditions
c) Contracts of indemnity	d) None of these
- (2) A guarantee which extend to a series of transactions is called
 

a) Special guarantee	b) Continuing guarantee
c) Specific guarantee	d) None of these
- (3) A guarantee which extends to a series of transaction is known as :
 

a) Specific guarantee	b) Continuing guarantee
c) Both Specific guarantee and Continuing guarantee	d) None of these
- (4) Section 133 of Indian Contract Act 1872 provides :
 

a) Discharge of Surety by variance in terms of a contract	b) Surety's liability
c) Release of one co-surety does not discharge other	d) Implied promise to indemnity Surety
- (5) In contract of guarantee, the person to whom guarantee is given is known as :
 

a) Creditor	b) Surety
c) Principal debtor	d) Debtor
- (6) The Bailment of goods as security for payment of a debt or performance of a promise is called :
 

a) Pledge	b) Bailment
c) Contingent contract	d) Agreement
- (7) Who may employ agent?
 

a) Any person who is of the age of majority according to the law to which he is subject	b) Any person who is of sound mind
---	------------------------------------

- c) Any person who is of the age of majority according to the law to which he is subject and who is of sound mind
- d) Citizen of India
- (8) Section 201 of Indian contract Act , 1872 provides :
- a) Termination of agency
- b) Termination of sub-agent's authority
- c) Agent's accounts
- d) Agent to be indemnified against Consequences of lawful acts
- (9) Section 125 of Indian contract Act provides :
- a) Contract of indemnity' defined
- b) Right of indemnity holder when sued
- c) Contract of guarantee
- d) Surety's liability
- (10) Section \_\_\_\_\_ of the Contract Act defined sub-agent
- a) 191
- b) 192
- c) 193
- d) None of these
- (11) Surety is a person
- a) In respect of whose default the guarantee is given
- b) Who gives the guarantee
- c) To whom the guarantee is given
- d) None of these
- (12) Creditor is a person
- a) To whom the guarantee is not given
- b) Who gives the guarantee
- c) In respect of whose default the guarantee is given
- d) who has a claim on debtor
- (13) A guarantee which extends to a series of transactions under section 129 is called
- a) An absolute guarantee
- b) A continuing guarantee
- c) An invalid guarantee
- d) A conditional guarantee
- (14) The surety stands discharged
- a) By revocation
- b) By death
- c) By variance in terms of the contract without his consent
- d) All of these
- (15) Bailment involves
- a) Change of ownership
- b) No change of possession
- c) Change of custody or possession
- d) None of these
- (16) A gratuitous bailment is terminated
- a) On the death of bailor
- b) On the death of bailee
- c) On the death of either bailor or bailee
- d) On the death of bailor and bailee both
- (17) Who can appoint an agent
- a) A minor of sound mind
- b) A major of sound mind
- c) A person of unsound mind
- d) Both minor and major of sound mind
- (18) For the acts of the substituted agent
- a) The agent is responsible to the principle
- b) The agent is not responsible to the principle, if he has exercised same amount of discretion as a man of ordinary prudence.
- c) The substituted agent is not responsible to the principal
- d) None of these
- (19) A partnership deed usually contain the particulars relating to
- a) Name of firm and partners.
- b) Nature of business and duration of firm.
- c) Capital contribution, profit/loss sharing ration and other agreed terms.
- d) All of these

- (20) The term "partnership" has been defined under
- a) Section 3
  - b) Section 4
  - c) Section 5
  - d) Section 6
- (21) As per section 2(7) of Sale of Goods Act, 1930 every kind of moveable property other than actionable claim and money is called
- a) Goods
  - b) Future Goods
  - c) Both Goods and Future Goods
  - d) None of these
- (22) Mercantile agent means the person
- a) who sell goods, or consigns for the purpose of sell, or buy goods or raise money on security of goods
  - b) who only sell or purchase
  - c) who only consign goods
  - d) who only transfer goods.
- (23) Section 12 of the Sale of Goods Act, 1930 defines
- a) condition
  - b) warranty
  - c) Both condition and warranty
  - d) Only condition and not warranty
- (24) "Indemnity" means
- a) Security from damage or loss
  - b) Security for more profit
  - c) An act for protection
  - d) Both Security from damage or loss and Security for more profit.
- (25) Any guarantee obtained by means of misrepresentation made by the creditor or with his knowledge and assent concerning a material part of the transaction is
- a) Valid
  - b) Invalid
  - c) Both Valid and Invalid
  - d) None of these
- (26) The person who during the contract of bailment delivers goods is called
- a) Bailor
  - b) Bailee
  - c) Both Bailor and Bailee
  - d) None of these
- (27) Section 128 of Indian Contract Act 1872 provides:
- a) Surety's liability
  - b) Continuing guarantee
  - c) Revocation of Continuing guarantee
  - d) Consideration for guarantee
- (28) In contract of guarantee, the person who gives the guarantee is known as:
- a) Debtor
  - b) Surety
  - c) Creditor
  - d) Principal debtor
- (29) Section 148 of Indian Contract Act, 1872 provides:
- a) Bailment, bailor and bailee defined
  - b) Bailee when not liable for loss etc., For things bailed
  - c) Bailor's duty to disclose faults in goods bailed
  - d) Effect of mixture, without Bailor's consent, when the goods can be separate
- (30) The delivery of goods by one person to another for some purpose, upon a contract and that they shall, when the purpose is accomplished, be returned or otherwise disposed of by accounting to the directions of the person delivering them, then it is called:
- a) Contingent contract
  - b) Bailment
  - c) Pledge
  - d) Contract of indemnity
- (31) Section 182 of Indian Contract Act, 1872 provides:
- a) Agent and Principal defined
  - b) Who may be an agent
  - c) Consideration not necessary
  - d) Agent's authority in an emergency
- (32) Section 210 of Indian Contract Act, 1872 provides:
- a) Termination of sub-agent's authority
  - b) Agent's accounts

- c) Termination of agency
- d) Agent's duty to communicate with Principal
- (33) A contract by which one party promises to save the other from loss caused to him by the contract of the promise himself, or by the conduct of any other person is called:
- a) A contract of indemnity
- b) Contingent contract
- c) A contract of guarantee
- d) Quasi contract
- (34) How many parties are there in a contract of indemnity and guarantee respectively?
- a) 2 and 3
- b) 3 and 2
- c) 2 and 5
- d) 5 and 2
- (35) A Contract of Indemnity is -----
- a) Void Agreement
- b) Quasi Contract
- c) Contingent Contract
- d) Wagering Contract
- (36) In contract of indemnity, what is the liability of indemnifier
- a) Primary
- b) Secondary
- c) No liability
- d) Both Primary & Secondary
- (37) In case of contract of guarantee, what is the liability of the surety?
- a) Primary
- b) Secondary
- c) No liability
- d) Fully liable
- (38) In spirit of section 189, of the Contract Act agents authority in an emergency is
- a) Limited depends upon principal permission
- b) Unlimited agent can do all necessary act without principal permission
- c) Both Limited depends upon principal permission and Unlimited agent can do all necessary act without principal permission
- d) None of these
- (39) As per-section 201, of the Contract Act an agency can be terminated by
- a) The principal revoking his authority
- b) The agent renouncing the business of the agency
- c) The completion of agency business
- d) All of these
- (40) The term "Bailment" means
- a) A delivery of a thing entrusted for some special purpose or object upon a contract
- b) Delivery of goods free of cost
- c) Delivery of goods without cost for welfare of public
- d) None of these
- (41) 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 dispose of upon discretion of the delivering person the contract is called
- a) Indemnity
- b) Bailment
- c) Contingent Contract
- d) None of these
- (42) A contract of gurantee has been defined
- a) Under section 123
- b) Under section 124
- c) Under section 125
- d) Under section 126
- (43) Liability of the surety arise
- a) Only & immediately on default by the Principle debtor
- b) From the beginning of the Contract of guarantee
- c) Can be independent
- d) None of these
- (44) A Contract of Guarantee is a ----- agreement.
- a) Bipartite agreement
- b) Tripartite agreement

- c) Either Bipartite agreement or Tripartite agreement
- (45) A continuing guarantee applies to
- a) A specific transaction  
b) A specific number of transactions  
c) A series of transactions  
d) Reasonable number of transactions
- (46) Under the contract of guarantee, a creditor
- a) Has to avail his remedies first against the principle debtor  
b) Can not avail his remedies against the principle debtor as well as the surety  
c) Can not avail his remedy against the surety alone  
d) None of these
- (47) Bailee is bound to take care of goods
- a) As an expert  
b) As a lay man  
c) As a man of ordinary prudence  
d) Both As a lay man and As a man of ordinary prudence
- (48) A finder of good is
- a) Entitled to claim compensation  
b) Entitled to retain the goods  
c) Not entitled to claim compensation and thus not entitled to retain the goods  
d) Both Entitled to claim compensation and/or Entitled to retain the goods
- (49) The pawnee has no right to retain the goods
- a) For payment of necessary expenses in respect of goods pledged  
b) For payment of extraordinary expenses incurred in the preservation of goods  
c) For payment of debt or interest in respect of goods pledged  
d) for any other debt or promise other than that agreed for in the contract.
- (50) An example of bailment without a contract is -----
- a) Giving a vehicle in a workshop for repair  
b) Giving something in courier  
c) Finder of the lost goods  
d) None of these.
- (51) Two or more persons can be employed to act as agents
- a) Jointly  
b) Severally  
c) Jointly and severally  
d) Either Jointly or Severally or Jointly and severally
- (52) An agent can lawfully employ a sub-agent
- a) originally  
b) If the ordinary custom of trade permits  
c) If the nature of the agency permits  
d) Both If the ordinary custom of trade permits and/or If the nature of the agency permits
- (53) Agency can be terminated
- a) By revocation by the principal  
b) By notice of renunciation by the agent  
c) By efflux of time  
d) Either by revocation by the principal or by notice of renunciation by the agent
- (54) Principal is NOT liable for the agents act if
- a) Agent acts within the scope of his authority  
b) Agent exceeds his authority  
c) Fraud or misrepresentation committed for benefit of the principal  
d) Work done out of his authority but the principal accepts it
- (55) The maximum number of partners mentioned in
- a) The Partnership Act  
b) The General Clauses Act  
c) The Companies Act  
d) The Societies Registration Act
- (56) A minor may be

- a) Partner of a firm
- b) Representative of the firm
- c) Entitled to carry on the business of the firm
- d) Entitled to the benefits of the firm

(57) A partnership firm comes into existence by agreement between all the partners, and such agreement should be

- a) Express agreement only.
- b) Implied agreement only.
- c) Either express or implied.
- d) Registere

(58) A, a contractor, appointed B to manage his entire work. It was agreed that B would receive 50% of the profits as his remuneration and would bear all the losses, if any. Here, B is

- a) A's partner
- b) A's agent
- c) Sole proprietor
- d) None of these

(59) It is duty of every partner to act within the scope of

- a) Actual authority
- b) Implied authority
- c) Both Actual authority and Implied authority
- d) None of these

(60) The firm is bound by an act of a partner done without any express or implied authority if such act is

- a) Done in emergency
- b) Done to protect the firm from loss-threatened by the emergency.
- c) Reasonable in the circumstances
- d) All of these.