

MGT611 Business & Labor Law Solved Objective For Final Term Exam Preparation

1. **The consideration in a contract must be:**
 - Of adequate value to promise
 - **Enforced by courts of law**
 - Of high worth to promise
 - Accepted by parties on free consent
2. **Which of the following is not a party to a contract of guarantee?**
 - Surety
 - Creditor
 - **Indemnifier**
 - Debtor
3. **Under section 41 of contract act, when a promisee accepts performance from a third person, he afterwards:**
 - **Can enforce it against promisor**
 - Can not enforce it against promisor
 - Can not enforce it against third person
 - Can enforce it against both promisor and third person
4. **When a supplier is unable to deliver the goods on due date due to strike in his factory, according to Section 56 of contract act, the agreement:**
 - Becomes void
 - **Is discharged**
 - Is not discharged
 - Is voidable
5. **Which of the following is NOT an element of bailment?**
 - Contract
 - Specific purpose
 - Delivery of goods
 - **Change of ownership**
6. **A study of the legal source of law is called _____.**
 - **Analytical jurisprudence**
 - Historical jurisprudence
 - Ethical jurisprudence
 - Legal jurisprudence
7. **Which of the following is not a contract of indemnity?**
 - Insurance of car
 - Insurance of workers' compensation
 - Insurance of property
 - **Insurance of life**
8. **In Undue Influence, the consent is obtained by:**

- **Threat**
 - Fraud
 - Domination
 - Physical force
9. “**Consideration**” is an action which:
- Is done in the Past
 - Is in progress at Present
 - **Will supposed to be occur in Future**
 - May occur in all the above situations
10. In which section of Contract Act, the definition of proposal is provided?
- Section 1(e)
 - Section 1(f)
 - **Section 2(a)**
 - Section 2(d)
11. The Section 2(g) of contract act defines that an agreement not enforceable by law is said to be:
- Valid agreement
 - **Void agreement**
 - Voidable agreement
 - Illegal agreement
12. A pledge can also be called a/an _____.
- Bailment
 - Guarantee
 - Indemnity
 - **Pawn**
13. Which of the following is NOT a type of damages?
- Ordinary damages
 - Liquidated damages
 - **Compound damages**
 - Nominal damages
14. 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**
15. In case of Undue Influence, the burden of proof lies upon _____.
- **Dominating party**
 - Influenced party
 - Both parties
 - The court
16. Coercion is committing, or threatening to commit, any act forbidden by _____.
- **Pakistan Penal Code**
 - Criminal Procedure Code

- Contract act
 - Civil Law
17. The evolution of law over a period of time is studied as _____.
- **Historical jurisprudence**
 - Ethical jurisprudence
 - Legal history
 - Analytical jurisprudence
18. 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.
- **Void**
 - Voidable
 - Illegal
 - Unenforceable
19. Agreements without free consent are voidable under which section of Contract Act.
- **Section 19**
 - Section 20
 - Section 21
 - Section 22
20. Which of the following is NOT an essential for a valid proposal?
- 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**
21. The definition of contract is provided by which section of Contract Act?
- Section 1(d)
 - Section 1(h)
 - Section 2(d)
 - **Section 2(h)**
22. According to section 26 of contract act, every agreement 'in restraint of the marriage' of a minor is _____.
- Valid
 - **Void**
 - Not valid
 - Voidable
23. Consideration must move from:
- Promisor
 - **Promisee**
 - A third party
 - Promisee or any other person
24. The court may grant rescission when _____.
- Contract is void
 - Contract is voidable

- Contract is illegal
 - Contract is unenforceable
25. Mr. A contracted to deliver 4900 kg of wheat to Mr. B. But Mr. A delivered 4925 kg. It is _____.
- A Valid tender
 - Not a valid tender
 - An invalid performance
 - Breach of contract
26. Which of the following damages includes indirect loss also that may arise due to breach of contract?
- Ordinary damages
 - Special damages
 - Liquidated damages
 - Nominal damages
27. What will happen if a future event, about which a contingent contract has been made, becomes impossible?
- The contract remains valid
 - The contract becomes voidable
 - The contract becomes void
 - One party can sue the other in court
28. When an executory contract is completely performed, it becomes:
- Valid contract
 - Void contract
 - Executed contract
 - Legal contract
29. In which of the following conditions, the contract is voidable?
- If one party is minor
 - In absence of free consent
 - If it is not enforceable at all
 - If it cannot become void under any condition
30. In which of the following cases promisee CAN NOT terminate the contract?
- When there is attempted performance
 - When offer of performance is unconditional
 - When offer is made at proper place
 - When offer is to perform one of several Joint Promises
31. Enforceability of a contingent contract is described in which section of contract act?
- Section 31
 - Section 32
 - Section 33
 - Section 34
32. Each party to a contract is both promisor and promisee in case of _____.
- Present consideration
 - Reciprocal promises

- Valid contract
 - Part consideration
- 33. Mr. A contracts to pay Mr. C Rs. 10000 if Mr. C's house is burnt. Which type of contract is it?**
- Absolute contract
 - Bilateral contract
 - Quasi contract
 - Contingent contract
- 34. When a contract is fulfilled successfully, it leads to the _____ of the contract.**
- Remission
 - Alteration
 - Discharge
 - Performance
- 35. In case of breach of contract, measure of damages is the difference between:**
- Contract price and price fixed by court
 - Contract price and market price on the date of breach
 - Contract price and expected selling price
 - Contract price and the highest market price during the continuance of court
- 36. An offer to perform promise from one of several Joint Promises is:**
- A valid offer
 - An invalid offer
 - Breach of contract
 - A conditional offer
- 37. Which of the following was subsequently repealed from the contract act?**
- Sections 76 to 123
 - Sections 124 to 147
 - Sections 148 to 181
 - Sections 182 to 238
- 38. Which of the following condition is considered to be a compulsion for a contract?**
- Only an offer
 - Only an acceptance
 - Offer and acceptance
 - Offer, acceptance and documentation
- 39. All of the following are powers of the Securities and Exchange Commission to control Non Banking Finance Companies (NBFC), EXCEPT:**
- To incorporate the NBFC
 - To follow board of directors
 - To require to furnish information
 - To order special audit
- 40. If you request your friend to buy a book for you, which contract is it?**
- Contract of guarantee
 - Contract of agency

- Contract of bailment
 - There is no contract
41. Bilal, as per directions of Ahmed sold goods over which Ahmed had no rights to sell, but Bilal was not aware of this. Afterwards, Rashid, the true owner of the goods, sued Bilal and recovered the amount from him. Which of the following is true?
- Ahmed is liable to Bilal
 - Bilal is liable to Rashid
 - Rashid is liable to Ahmed
 - Ahmed is not liable to anyone
42. Which of the following is NOT a phase in formation of a company?
- Inauguration phase
 - Promotion phase
 - Registration phase
 - Commencement of business
43. In the absence of any express provisions in Law of Negotiable Instruments, which law is applicable?
- Contract act
 - Contract of sales
 - Contract of agency
 - Contract of guarantee
44. In which of the following cases promisee CAN NOT terminate the contract?
- When there is attempted performance
 - When offer of performance is unconditional
 - When offer is made at proper place
 - When offer is to perform one of several Joint Promises
45. All of the following must be included in a contract of sale, EXCEPT:
- Time of delivery of goods
 - Place of delivery of goods
 - Acceptance of delivery
 - Advance payment of price
46. When a supplier is unable to deliver the goods on due date due to strike in his factory, according to Section 56 of contract act, the agreement
- Becomes void
 - Is discharged
 - Is not discharged
 - Is voidable
47. If two parties choose to enter into contracts with knowledge of the commercial usage governing them, who will decide the terms of contract?
- Court
 - Contract act
 - The two parties
 - The two parties along with court

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

- Court
- **Contract act**
- The two parties
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49. Fraudulent misrepresentation as to contents of documents makes the contract

_____.

- Void
- **Voidable**
- Illegal
- Enforceable

50. According to section 30 of contract act, wagering agreements are:

- Void
- Valid
- **Unenforceable**
- Voidable

51. According to section 30 of contract act, wagering agreements are:

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- Valid
- **Unenforceable**
- Voidable

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

- Section 10
- Section 11
- Section 12
- Section 13

53. All of the following are true about Articles of Association, except:

- **It is subordinate to memorandum of association**
- It is a doctrine of indoor management.
- An alteration in it can be made through a special resolution by the company
- It rises the contracts between the company and the out side world

54. The definition of contract is provided by which section of Contract Act?

- Section 1(d)
- Section 1(h)
- Section 2(d)
- **Section 2(h)**

55. Mere attempt to deceive the other party is _____.

- Fraud
- Misrepresentation
- **Not fraud if other party is not deceived**
- Coercion

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

- Indemnifier
- Indemnified
- Indemnity holder
- Indemnity owner

57. All agreements are contracts if they fulfill the requirements as contained in _____ of the Contract Act, 1872.

- Section 9
- Section 10
- Section 11
- Section 12