

Examrace

Mercantile Law 2008-Solved MCQs Competitive Exams Set 1

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(i) If the consideration for an agreement is inadequate, the agreement is:

- (a) Valid
- (b) Void
- (c) Voidable
- (d) None of these

Answer: (a)

(ii) On a contract by an Agent on behalf of an undisclosed Principal, the Principal:

- (a) May sue on contract
- (b) Cannot sue
- (c) Is hit by privity of contract
- (d) None of these

Answer: (c)

(iii) Carlill v Carbolic Smoke Ball Co. Ltd. deals with:

- (a) Counter proposal
- (b) Implied acceptance
- (c) Implied revocation
- (d) None of these

Answer: (b)

(iv) What is the amount of care a bailee is required to take in respect of goods bailed to him:

- (a) Extraordinary
- (b) Ordinary

- (c) Reasonable
- (d) None of these

Answer: (c)

- (v) A Void Contract is:
- (a) An illegal agreement
 - (b) Parly valid agreement
 - (c) Ceased to be a valid agreement
 - (d) None of these

Answer: (c)

- (vi) X agrees not to carry on a similar business with Y for two years in consideration of ₹ 50,000/- as goodwill. The agreement is:
- (a) Void due to restraint of trade
 - (b) Valid
 - (c) Against X's fundamental rights
 - (d) None of these

Answer: (b)

- (vii) Which one of the following cannot be called an Act of God?
- (a) An unprecedented rainfall
 - (b) An earthquake
 - (c) Fire not caused by lightening
 - (d) None of these

Answer: (c)

- (viii) An obligation arises from:
- (a) A contract
 - (b) From a wrongful act
 - (c) Both (a) & (b)
 - (d) None of these

Answer: (a)

- (ix) The rule nemo dat quod non habet means:

- (a) No-one should interfere in another's business
- (b) No-one should be retained in a partnership against his will
- (c) No-one can give what he has not got
- (d) None of these

Answer: ()

(x) In a public company the shares are subscribed by:

- (a) Government
- (b) Management
- (c) Creditors
- (d) None of these

Answer: ()

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