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Golden File

(MGT611)

Business & Labour Law

(Please correct me, if you find any mistake)

.....Highlighted in Red are not sure or unsolved.....



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The definition of agreement is provided by which section of Contract Act?

Section 1(a)

Section 1(d)

Section 2(e)

Section 2(h)

Which section of contract act defines that when the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted?

Section 2(b)

Section 2(c)

Section 2(d)

Section 2(e)

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

Consideration must be moved at the desire of:

Promisor

Promisee

A third party

Both promisor and promisee



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

Coercion

Fraud
Misrepresentation
Undue influence

A businessman availing a loan from the bank is actually entering into

_____.

An agreement

A contract
A relationship
A promise

Which of the following is true about “ordinance”?

The ordinance shall originate in the National Assembly
The ordinance shall be presented to the senate

The President can promulgate an ordinance

A bill when passed by the parliament is called an ordinance

In Undue Influence, the consent is obtained by:

Threat
Fraud

Domination

Physical force

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

Suit for penalty



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Suit for specific performance

Suit upon quantum meruit

Suit for injunction

When both contracting parties have completely performed their obligations, the contract is called _____.

Valid contract

Executed contract

Executory contract

Express contract

Which of the following is NOT a classification of jurisprudence?

Analytical jurisprudence

Political jurisprudence

Historical jurisprudence

Ethical jurisprudence

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

Jurisprudence

Court

Business law

Labour law

Which of the following was subsequently repealed from the contract act?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



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The Securities and Exchange Commission of Pakistan Act, 1997 extends to:

Corporate sector
Securities and Exchange Commission
Whole of Pakistan
Stock exchanges

A contract of guarantee comprises of how many agreements?

One
Two
Three
None of the given options

If a person holds out himself to be a partner of a firm, which of the following NOT stands true?

Person becomes personally liable
Person does not become personally liable (Not Sure)
Person is an agent by estoppel
Person permits others to be represented as a partner

A contract between creditor and principal debtor, in a contract of guarantee, is called _____.

Primary contract
Secondary contract
Tertiary contract
Contract of indemnity

Which of the following studies the basic principles of civil law?



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Analytical jurisprudence

- Historical jurisprudence
- Ethical jurisprudence
- Both historical and ethical jurisprudence

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

A minor's agreement is always:

Void

- Void ab initio
- Voidable
- Valid

In which of the following conditions, specific performance shall NOT be granted?

Where court can not supervise the performance

- Where compensation in money is not adequate relief
- Where it is difficult to calculate actual damage
- Where compensation can not be obtained

Performance of reciprocal promises has been discussed in which part of the Contract Act, 1872?

- Section 20 – 25
- Section 31 – 37
- Section 46 – 50



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Section 51 – 54

The money consideration for a sale of goods is known as:

Sale

Price

Value

Mortgage

Which of the following is the date at which a promissory note or bill of exchange falls due.

Grace period

Effective date

Maturity date

Payment date

A promise made without intention of performing it will result in:

Coercion

Innocent misrepresentation

Wrongful misrepresentation

Fraud

A contract which ceases to be enforceable by law becomes _____ contract.

Void

Unenforceable

Illegal

Executory



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When the performance of promise by one party depends on the prior performance of the promise by the other party, the promises are:

- Mutual and independent
- Mutual and dependent**
- Mutual and concurrent
- Dependent and concurrent

When a lender tells the borrower afterwards not to return money, the contract is

_____.

Discharged (Not Sure)

- Breached
- Performed
- Altered

Definition of contract of indemnity as given in Contract Act includes:

- Implied promise to indemnify
- Express promise to indemnify
- Cases where loss arises by events depending on conduct of promisee
- Cases where loss arises from conduct of promisor**

The Primary Contract in a contract of guarantee is:

- A contract between creditor and surety
- A contract between creditor and principal debtor**
- A contract between surety and principal debtor
- A contract between creditor, surety and principal debtor

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



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May be oral
May be written
May either be oral or written
Must be written

Mr. X takes a loan of Rs. 5000 from Mr. Y on Guarantee of Mr. Z. The contract between Mr. X and Mr. Y is the _____.

Contract of bailment
Principal contract (Primary Contract)
Secondary contract
Contract of indemnity

According to section 142 of Contract Act, a guarantee obtained by means of misrepresentation made by the creditor, concerning a material part of the transaction is _____.

Valid
Invalid
Indemnity
Secondary contract

A pledge can also be called as _____.

Bailment
Guarantee
Indemnity
Pawn

In which sections of Contract Act, 1872 the law relating to contract of agency is contained?



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ss12-75
ss76-123
ss124 181
ss182-238

An agent appointed to do all acts in connotation with a particular business identification is called _____.

Special agent
General agent
Universal agent
Mercantile agent

At the first annual general meeting of the company directors shall be elected in accordance with section 178 for a term of:

1 year
2 years
3 years
5 years

Which of the following is not true about dividends?

Dividends shall be paid out of profits of the year or any other undistributed profits.

The directors can not pay interim dividends to the members.

The directors may set aside a reserve out of the profits before recommending any dividend.

All dividends shall be declared and paid according to the amounts paid on the shares.

Which of the following is put into business by partners while formulating a partnership?



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Money
Property
Labour and skill
Any or all of given options

The Partnership Act, 1932 repealed which of the following?

Contract Act, 1872
Section 239-266 of the Contract Act, 1872
Section 72-144 of the Contract Act, 1872
Law of trust

Preparation of required documents of the company is done during which phase?

Inauguration phase
Promotion phase
Registration phase (Not Sure)
None of the given options

Which of the following is a legal document on the basis of which the company conducts its external affairs?

Memorandum of association
Article of association
Share certificate
Certificate of commencement of business

Memorandum of association of a new public company is required to be subscribed by how many persons?

At least one person



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Three persons

At least three persons

Seven persons

What should be last words in the name of the private limited company?

Limited

(Private) Limited

& company

Any of the given options

Which of the following is most probably a company limited by guarantee?

A multinational company

A commercial bank

A stock exchange

A local manufacturing concern

In which of the following situation, a company can not be wound up by the Court?

If the company is unable to pay its debts

If the company does not commence its business within a year from its incorporation

If the company suspends its business for a whole year

If the number of members of a private company is reduced to five (Not Sure)

Within how many days from the date of the making of the winding up order, a certified copy of the order shall be filed with the registrar?

7

10

15



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30

A committee of the Securities and Exchange Policy Board constituted under section 15 is termed as _____ in SECP Act, 1997.

Committee

Commission

Board

Clearing house

The Securities and Exchange Commission when exercising its powers under SECP Act, 1997, shall have regard to which of the following?

The quality and capability of the management of the company

The general public interest

The interest of potential public investors in the company

All of the given options

Which of the following is not a party in cheque?

Payee

Maker

Drawer

Drawee

If the endorser signs his name only, the endorsement is said to be:

Blank

Full

Special

Restrictive



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Within how many days from the receipt of the application to register a trade union, the registrar shall issue a registration certificate?

- 7 days
- 10 days
- 15 days**
- 30 days

According to Industrial Relations Ordinance, which establishment shall set up a Joint Works Council?

- Private limited company
- That has no shop steward
- Listed in stock exchange
- Having more than fifty employees**

What shall be the extent of workers' participation in Joint Works Council?

- 25%
- 40%**
- 50%
- 60%

Which shares are issued to the promoters or the underwriters of the company?

- Deferred shares**
- Cumulative preference shares
- Ordinary shares
- Equity shares

The Securities and Exchange Commission monitors the general financial condition of a Non Banking Finance Company and may order _____.



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To present annual report
To appoint internal auditor
To cease the business
For special audit

All of the following included in the procedure of examining any person by the Securities and Exchange Commission, EXCEPT:

Any person concerned with the case may be called by written notice
Such person shall be examined orally
Such person shall be examined in written
Any statement made by such person shall be prepared in writing

Who defines the roles and responsibilities of the Chairman and Chief Executive of a listed company?

Majority shareholders
Executive directors
The Board of Directors
Securities and Exchange Commission

Which of the following may not be included in the Directors Reports of listed companies?

The fact along with reasons that the company is considered to be a going concern
Significant deviations from last year in operating results of the company
Key operating and financial data of last six years in summarized form
The reason that the company has not declared dividend

An agent may draw an instrument on behalf of the principal subject to following conditions, except:

That the agent has been authorized by the principal to that effect



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That the principal is not a competent person to enter into a contract

That the agent acts in the name of the principal

That the agent has not exceeded his authority

According to Halsbury, which of the following is a relation that subsists between persons carrying on a business in common with a view of profit?

A proprietorship

A partnership

An enterprise

A company

As per Industrial Relations Ordinance, 2002, the determination by a Labour Court, Arbitrator or an Appellate Court of competent jurisdiction of any industrial dispute or any matter relating thereto is called:

Judgment

Award

Decision

Ruling

An award of the Labour Court, in case of strike and lockout, shall not be for a period:

Less than one year

More than one year

Less than two years

More than two years

Labour courts are established by whom?

Provincial Government



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Federal Government
High Court
Supreme Court

Which of the following is not a bench of National Industrial Relations Commission?

Single bench
Division bench
Half bench
Full bench

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

Reciprocal
Dependent
Mutual
Independent

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

Coercion
Fraud
Misrepresentation
Mistake

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

Analytical jurisprudence
Historical jurisprudence
Ethical jurisprudence



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Political jurisprudence

Which of the following is NOT a type of damages?

Ordinary damages

Liquidated damages

Compound damages

Nominal damages

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

A study of the legal source of law is called _____.

Analytical jurisprudence

Historical jurisprudence

Ethical jurisprudence

Legal jurisprudence

A promise made without intention of performing it amounts to:

Coercion

Innocent misrepresentation

Wrongful misrepresentation

Fraud



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

- An agreement
- A contract
- An offer
- A promise**

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

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

- Consideration of a contract
- Avoidance of misrepresentation
- Can be oral or written
- All of the given options**

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

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



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Pakistan Penal Code

Criminal Procedure Code
Contract act
Civil Law

In absence of any contrary intention in a joint promise, all joint promisors must perform the promise _____.

Jointly

Severally
Jointly or severally
Jointly and severally

A contract is Voidable if it is:

Enforceable by law at the option of aggrieved party

Not enforceable at all
Enforceable if certain conditions are satisfied
Enforceable by both parties

The starting point in the formation of a contract is:

A proposal

An agreement

An obligation
A legal relationship

Consent caused by a Fraud makes a contract:

Void

Voidable

Unenforceable
Invalid



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“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 (Not Sure)

Contract of indemnity is a:

Wagering contract

Quasi contract (Not Sure)

Contingent contract

Void contract

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 (Not Sure)

Which of the following is not a party to a contract of guarantee?

Surety

Creditor

Indemnifier

Debtor

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:



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Becomes void
Is discharged
Is not discharged
Is voidable

Which of the following is NOT an element of bailment?

Contract
Specific purpose
Delivery of goods
Change of ownership

Which of the following is not a contract of indemnity?

Insurance of car
Insurance of workers' compensation
Insurance of property
Insurance of life

In which section of Contract Act, the definition of proposal is provided?

Section 1(e)
Section 1(f)
Section 2(a)
Section 2(d)

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



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In case of Undue Influence, the burden of proof lies upon _____.

Dominating party

- Influenced party
- Both parties
- The court

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

Historical jurisprudence

- Ethical jurisprudence
- Legal history
- Analytical jurisprudence

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

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

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

According to section 26 of contract act, every agreement 'in restraint of the marriage' of a minor is _____.



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Valid

Void
Not valid
Voidable

Consideration must move from:

Promisor

Promisee
A third party
Promisee or any other person

The court may grant rescission when _____.

Contract is void
Contract is voidable
Contract is illegal

Contract is unenforceable (Not Sure)

Mr. A contracted to deliver 4900 kg of wheat to Mr. B. But Mr. A delivered 4925 kg. It is _____.

A Valid tender (Not Sure)

Not a valid tender
An invalid performance
Breach of contract

Which of the following damages includes indirect loss also that may arise due to breach of contract?

Ordinary damages
Special damages
Liquidated damages



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Nominal damages

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

When an executory contract is completely performed, it becomes:

Valid contract

Void contract

Executed contract

Legal contract

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 (Not Sure)

Enforceability of a contingent contract is described in which section of contract act?

Section 31

Section 32

Section 33

Section 34



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

Present consideration
Reciprocal promises
Valid contract
Past consideration

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

When a contract is fulfilled successfully, it leads to the _____ of the contract.

Remission
Alteration
Discharge
Performance

In case of breach of contract, measure of damages is the difference between:

Contract price and price fixed by court (Not Sure)

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

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

A valid offer



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An invalid offer
Breach of contract
A conditional offer

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

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

Which of the following is NOT a phase in formation of a company?

Inauguration phase
Promotion phase
Registration phase
Commencement of business

In the absence of any express provisions in Law of Negotiable Instruments, which law is applicable?

Contract act
Contract of sales



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Contract of agency
Contract of guarantee

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

Fraudulent misrepresentation as to contents of documents makes the contract
_____.

Void
Voidable
Illegal
Enforceable

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

Void
Valid
Unenforceable
Voidable

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

Section 10
Section 11
Section 12
Section 13



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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

Mere attempt to deceit the other party is _____.

Fraud

Misrepresentation

Not fraud if other party is not deceived

Coercion

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

Indemnifier

Indemnified

Indemnity holder

Indemnity owner

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

Which of the following stories to bring the principles of the law to such a form that they serve best?



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Analytical Jurisprudence
Historical jurisprudence
Ethical jurisprudence
Judicial jurisprudence

Which section of the contract act says that every agreement by which anyone is restrained from exercising a lawful profession, trade or business, is to that extent void.

Section 26
Section 27
Section 28
Section 29

Akram promises to employ Ahmed for a salary of Rs.10000 from February next. Which type of contract is it?

Valid contract
Void contract
Unenforceable contract
Executory contract

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

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



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Section 12

Section 13
Section 14
Section 15

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?

Consent

Agreement
Promise
Contract

Which of the following is a Contingent Contract?

Wagering contract

Contract through coercion
Contract for credit sale
Contract of guarantee

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

Section 16
Section 17
Section 18
Section 19

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

Section 19

Section 20



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Section 21

Section 22

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

Is void

Is voidable

Void ab initio

Becomes void on discovery of impossibility

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

The other party is deceived

There is some damage of other party

There is no damage of other party

There is false representation

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

A contract of indemnity

A contract of bailment

A contract of pledge

Not a contract

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

Quasi contract

Wagering contract

Contingent contract

Bilateral contract



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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

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

Void

Voidable
Void ab initio
Illegal

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
The federal law instead of provincial laws
As settled between the parties

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

An agreement
A contract
An offer
A promise



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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**

The attainment of justice is the main object of _____.

- Analytical jurisprudence
- Historical jurisprudence
- Ethical jurisprudence**
- Judicial jurisprudence

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:

- Fraud
- Coercion
- Undue influence
- Misrepresentation**

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



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

- Contract of indemnity
- Contract of bailment**
- Contract of pledge
- Not a valid contract

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?

- 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 promise

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

- 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

Following are the essentials of a valid acceptance, EXCEPT:

- 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



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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

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

Analytical jurisprudence

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

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

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

By definition, a contract is:

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

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



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A contract

An agreement

An obligation

A proposal

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

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

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 give his free consent

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

_____.



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Valid
Void
Voidable
Illegal

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

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

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

Becomes void
Becomes voidable
Is discharged
Is not discharged

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

When plaintiff has not expressly ratified the contract



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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

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

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

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



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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

To indemnify the acts done in good faith (Not Sure)

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

Valid; as it is considered as a general business practice

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.

The soundness of mind of a person is proved by:

The capacity of a person 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

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



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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

Misrepresentation has been defined in which section of the Contract Act?

Section 17
Section 18
Section 19
Section 20

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

The Industrial Relations Ordinance came into force in:

1982
1997
2000
2002

A person employed to do any act for another is called:

Employee
Manager



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Agent

Principal

According to Securities & Exchange Commission of Pakistan Act, 1997, _____ means the day on which section 43 comes into force.

Winding up day

Commencement day

Appointed day

Holiday

Application to register a trade union includes all of the following, EXCEPT:

The name of the trade union and the address of its head office

Date of formation of the trade union

The titles, names, ages, addresses and occupations of the office bearers of the trade union

Statement of total unpaid membership

Which of the following is true about the essentials of valid acceptance of a bill of exchange?

It must be in writing

It must be signed by drawee or his agent

The acceptance must appear on the bill

All of the given options

All of the following are the powers of trustee, EXCEPT:

To sell trust property

To apply property for the benefit of the minor

To use trust property for any purpose

To give receipt



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Companies Ordinance, 1984 replaced which of the following?

Companies Act, 1913

Companies Ordinance, 1936

Companies Act, 1953

Companies Ordinance, 1964

Which of the following is necessary for the registration of a company?

To seek approval of the name of the company proposed by the promoters

Preparation of required documents to be submitted for registration

Filing of application for registration of the company

All of the given options

Which of the following is NOT a kind of shares of a limited company?

Capital share

Preferred share

Deferred share

Bonus share

Those damages which naturally arise as the result of breach of contract are called:

Ordinary damages

Special damages

Liquidated damages

Nominal damages

As per Companies Ordinance, 1984, the maximum number of persons in a firm is:



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10 persons
20 persons
30 persons
50 persons

Authority vested in the _____ where registered office of the company is proposed in the memorandum of association to be situated.

City
District
Division
Province

A 'Statement of Ethics and Business Practices' for directors and employees of a listed company is prepared by:

Board of directors
Executive directors
Chairman of the company
Securities and Exchange Commission

When a promisee refuses to accept performance from the promisor, it is called _____.

Tender
Frustration of contract
Vicarious performance
Attempted performance

How shall a prosecution for any offence under SECP Act against any person be instituted?



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With the consent of commission

At the will of any two Commissioners
By the appeal of aggrieved party
By suo moto action of the court

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

The transfer of ownership in exchange for a price paid or promised or part-paid and part-promised is called:

Sale
Contract for sale
Agreement of Sale
Lease Sale

Within how many days from the receipt of the application to register a trade union, the register shall issue a registration certificate?

7 days
10 days
15 days
30 days

As per section 25 of the Partnership Act, 1932, all the partners of a firm share liabilities of the firm:

Just mutually



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Just individually

Mutually and individually

None of the given options

At the first annual general meeting of the company directors shall be elected in their place in accordance with section 178 for a term of:

1 year

2 years

3 years

5 years

Which of the following is NOT expressly declared to be void by the law?

Agreement in restraint of trade

Agreement in restraint of legal proceedings

Agreement contingent upon possible events

Reciprocal promises to do illegal acts

Consent under undue influence makes contract _____.

Valid

Void

Voidable

Unenforceable

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

He has to apply to the promise to appoint a place



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

Legal sources of law include all of the following, EXCEPT:

Business

Precedent
Customs
Agreement

Essentials of a contract of sale include all of the following, EXCEPT:

There must be an agreement

There must be more than two parties
There must be transfer of ownership
There must be some price as consideration

Who is liable when a partner has signed in his own name a promissory note for the benefit of the firm?

All partners

The signatory partner
The limited partners
The major partners

Which of the following is true about a firm?

A firm has no legal existence
A firm adopts legal status from its partners
A firm has a legal status separate from its partners
None of the given options



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Mr. Asif threatens to kidnap Mr. Bashir's son if he does not give Rs.2 lac to him; and Mr. Bashir agrees to pay the amount. Such contract has been made by:

Consent

Coercion

Fraud

Undue influence

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

Undue influence is described under which section of Contract Act?

Section 16

Section 17

Section 18

Section 19