

SALE OF GOODS ACT, 1930

Q.1. What is the purpose behind the enactment of Sale of Goods Act, 1930

- A To define the laws relating to the sale of goods
 - B To consolidate and amend the laws relating to the sale of goods
 - C To consolidate, amend and define the laws relating to the sale of goods
 - D To define and amend the laws relating to the sale of goods
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Q.2. Section 2(1) of Sale of Goods Act defines 'buyer' as:

- A Person who buys goods and services
 - B Person who agrees to buy goods
 - C Person who buys or agrees to buy goods
 - D Person who buys or agrees to buy goods and services
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Q.3. Before the enactment of Sale of Goods Act, the provisions regarding Sale of Goods were contained in:

- A Indian Contract Act, 1872
 - B Indian Registration Act, 1908
 - C Transfer of Property Act, 1882
 - D Indian Partnership Act, 1932
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Q.4. Which of the following cannot be said to be included in the term "goods" defined under section 2(7) of the Sale of Goods Act, 1930 :

- A. Stock
- B. Shares
- C. Growing crops
- D. Actionable claims

Q.5. Which of the following most appropriately describes the term “sale” as per Sale of Goods Act, 1930:

- A. A contract whereby seller transfers the property in goods
 - B. A contract whereby seller transfers or agrees to transfer the property in goods to the buyer for a price.
 - C. A contract where transfer of the property in goods is to take place at a future time
 - D. A contract where transfer of the property in goods is to take place subject to some condition thereafter to be fulfilled.**
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Q.6. When does an agreement to sell become a sale as per the provisions of Sale Of Goods Act, 1930?

- A. When the seller transfers the property in goods.
 - B. When the seller agrees to transfer the property in goods.
 - C. When the time elapses or the conditions subject to which the property in the goods is to be transferred are fulfilled.
 - D. Agreement to sell is deemed to be sale.
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Q.7. What can be the subject matter of the contract of sale as per section 6 of Sale of Goods Act?

- A. Only existing goods owned or possessed by the owner
 - B. Only Future goods
 - C. Existing goods which are neither owned nor possessed by the owner
 - D. Existing goods, owned or possessed by the owner or future goods**
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Q.8. Where in a contract of sale the seller purports to effect the present sale of the future goods, the contract operates as:

- A. A Contract of sale
- B. An agreement to sell the goods
- C. A Contact of sale or agreement to sell

D. It is not a valid contract

Q.9. In a contract for sale of specific goods, the goods, without the knowledge of seller perished at the time when the contract was made, the contract is

- A. A voidable contract at the instance of seller
- B. A voidable contract at the instance of buyer
- C. A voidable contract subject to approval of the civil court
- D. A void contract

Q.10. Can the agreement be avoided when there is an agreement to sell specific goods but subsequently the goods perish or become so damaged without any fault of the seller or buyer?

- A It can be avoided by the parties
- B It can't be avoided by the parties
- C It can be avoided only with the approval of Court
- D It Can be avoided only if there is a contract in this regard between the parties

Q.11. A contract of sale may be made

- A in writing or by word of mouth
- B partly in writing of partly by word of mouth
- C by the implied conduct of parties
- D All of the above

Q.12. A _____ is a stipulation essential to main purpose of the contract and the breach of which gives rise to a right to treat the contract as repudiated.

- A. Condition
- B. Warranty
- C. Disclaimer

D. Guarantee

Q.13. A _____ is a stipulation collateral to main purpose of the contract and the breach of which gives rise to a right to claim for damages but not to a right to reject goods and treat the contract as repudiated.

- A Condition
- B Warranty
- C Terms of contract
- D Disclaimer

Q.14. When can a breach of condition be treated as a breach of warranty by the seller as per the provisions of Sale of Goods Act, 1930?

- A When the buyer fulfils the condition stipulated to the contract of sale
- B When the contract of sale is severable and the buyer has accepted the entire goods
- C When the contract of the sale is not severable and the buyer has accepted the goods or part thereof, subject to an express or implied term in the contract
- D **When the contract of the sale is severable and the buyer has accepted the entire goods or part thereof.**

Q.15. In the Contract of Sale, there is an implied warranty that:

- A Seller has a right to sell the goods
- B The buyer has the right to have and enjoy the quiet possession of goods only.
- C The goods shall be free from any charge or encumbrance
- D **The buyer has the right to have and enjoy the quiet possession of goods and that the goods shall be free from any charge or encumbrance**

Q.16. In a Contract for Sale of goods by sample and description, it is necessary that:

- A. The bulk of goods shall correspond with the sample as well as description
- B. The bulk of goods shall correspond with sample while it is not necessary that the bulk of goods shall correspond with the description

- C. The bulk of goods shall correspond with the description and it is not necessary that the bulk of goods correspond with the sample
- D. Variation of the bulk of goods with the sample and description of goods is only to be treated as a breach of warranty

Q.17. In which of the following cases, there is an implied condition as to particular quality or fitness of goods:

- A When buyer makes known to the seller the particular purpose for which goods are required as to show that buyer relies on seller's skill and judgment and the goods are of description which it is in the ordinary course of seller's business to supply
- B When buyer makes known to the seller the particular purpose for which goods are required as to show that buyer relies on seller's skill and judgment though the seller does not, in the ordinary course of its business, supply such goods
- C When goods are bought by description from seller who deals in goods of that description, whether as a manufacturer or otherwise and the buyer has examined the goods and found defects in the same
- D When there is a contract for sale of a specified article under its patent or other trade name

Q.18. When does the property in the goods pass to the buyer in case of contract for the sale of specific or ascertained goods?

- A When the contract for sale is made.
- B When the parties to the contract intend it to be transferred.
- C When the price is paid for the goods.
- D When the delivery of goods has been made.

Q.19. When does the property in the goods pass to the buyer in case of an unconditional contract for the sale of specific goods in a deliverable state?

- A When the contract is made irrespective of whether the time of payment of price or delivery of goods is postponed or not
- B When the party intends to transfer

- C At the time of the payment of the price of goods
- D At the time of delivery of goods

Q.20. When does the property in the goods pass to the buyer in case of a contract for the sale of unascertained or future goods by description?

- A When the goods of that description and in a deliverable state are unconditionally appropriated to the contract either by the seller or by the buyer with the assent of each other
- B When the goods of that description and in a deliverable state are conditionally appropriated to the contract either by the seller or by the buyer with the assent of each other
- C When the goods of that description and in a non-deliverable state are conditionally appropriated to the contract either by the seller or by the buyer with the assent of each other
- D When the goods of that description and in a non-deliverable state are unconditionally appropriated to the contract either by the seller or by the buyer with the assent of each other

Q.21. In which of the following cases property in the goods does not pass to the buyer when the goods are delivered to the buyer on approval or “on sale or return” or other similar terms?

- A When the buyer signifies his approval or acceptance to the seller as to goods
- B When the buyer retains the goods without giving a notice of rejection and upon expiry of reasonable time
- C When buyer gives a notice of rejection to the seller
- D When buyer does any other act adopting the transaction

Q.22. Choose the most appropriate answer.

Unless otherwise agreed, the goods remain at seller’s risk until:

- A The goods have been delivered to the buyer
- B The goods have been utilised by the buyer
- C The price to the goods has been received by seller

D The property therein has been transferred to the buyer

Q.23. When is the sale by mercantile agent who is in the possession of the goods or documents of the title to the goods not valid?

- A When the mercantile agent acts in the ordinary course of business
 - B When the buyer is acting in good faith and
 - C When the buyer acts in good faith and has notice that the seller has no authority to sell at the time of the contract of sale
 - D When the owner has expressly authorised the act
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Q.24. When the seller has obtained possession of goods under a voidable contract, what title does the buyer acquire when the goods are passed under the contract of sale?

- A Buyer acquires good title to the goods if he acts in good faith though he had notice of seller's defect of title
 - B Buyer acquires good title to the goods if he had no notice of seller's defect of title though he did not act in good faith
 - C Buyer does not acquire a good title to the goods even though he acts in good faith and without notice of seller's defect of title
 - D **Buyer acquires good title to the goods if he acts in good faith and without notice of seller's defect of title**
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Q.25. Which of the following cannot be treated as 'Delivery' under the Sale of Goods Act, 1930?

- A Doing anything which has the effect of putting goods in possession of legal representatives of seller
- B Doing anything which has the effect of putting goods in possession of any person authorised by the buyer
- C Doing anything which has the effect of putting goods in possession of the buyer
- D Doing anything which the parties agree to be treated as delivery

Q.26. What is the effect of part delivery of goods made in the progress of delivery of the whole of the goods as per section 34 of the Sale of Goods Act, 1930?

- A Part delivery does not operate as a delivery of remainder.
 - B Part delivery of the goods cannot be made under the Act.
 - C Part delivery has the same effect as the delivery of the whole only in case of perishable goods.
 - D Part delivery has the same effect as the delivery of the whole irrespective of the type of goods unless part delivery is made with intention of severing it from whole.**
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Q.27. Which of the following statement is correct with regard to delivery of goods by a seller?

- A The seller is bound to deliver the goods under all circumstances
 - B The seller is bound to deliver the goods when there is either an express contract or when the buyer applies for delivery
 - C The seller is bound to deliver the goods only when there is an express contract to that effect
 - D The seller is bound to deliver the goods only when the buyer applies for delivery
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Q.28. Which of the following statements is incorrect in respect of Rules as to delivery?

- A Where the goods are in the possession of a third person, the goods are not delivered to buyer unless such third person acknowledges to the buyer that the goods are held by him on seller's behalf
- B Where no time is fixed for sending the goods it should be delivered within a reasonable time
- C The expenses of and incidental to putting the goods into a deliverable state shall be borne by the buyer
- D Demand or tender of delivery may be treated as effectual only when made at a reasonable hour

Q.29. As per the provisions of Sale of Goods Act, 1930 which of the following is not a consequence of delivery of wrong quantity of goods to the buyer?

- A** Where the seller delivers less than the contracted quantity the buyer may reject the same
- B** Where the seller delivers more than the contracted quantity, the buyer can only reject the goods not included in the contract
- C** Where the seller delivers the contracted goods mixed with the goods of a different description, the buyer can reject the goods of different description or may reject the whole of the goods.
- D** Where the seller delivers more than the contracted quantity, the buyer may accept the goods included in the contract and reject the rest, or he may reject the whole. If the buyer accepts the whole of the goods so delivered, he shall pay for them at the contract rate

Q.30. Which of the following is true as regards delivery of goods in instalments as provided under Sale of Goods Act?

- A** The buyer is bound to accept the instalment deliveries only in case of perishable goods
- B** The buyer is bound to accept the instalment deliveries only in case of sale of goods by description
- C** The buyer is bound to accept the instalment deliveries only if agreed between the parties
- D** Delivery of goods can't be made in instalments

Q.31. Choose the most appropriate option out of the following in respect to return of rejected goods by the buyer.

- A** Buyer is not bound to return any type of rejected goods, having right to do so, if he intimates to the seller that he refuses to accept the same.
- B** Buyer is bound to return all types of rejected goods
- C** Buyer is bound to return only those rejected goods which are perishable

- D Buyer is bound to return only those rejected goods which are sold by description.
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Q.32. Out of the following persons which of the following does not come under the definition of the "unpaid seller" as per Chapter V of Sale of Goods Act:

- A A seller to whom the whole of the price has not been paid or tendered
- B A seller to whom more than half of the price has been paid or tendered
- C A seller who has received a bill of exchange as conditional payment and the condition on which it was received has not been fulfilled by reason of the dishonour of the instrument or otherwise.
- D A seller who has received a negotiable instrument as conditional payment and the condition on which it was received has not been fulfilled by reason of the dishonour of the instrument or otherwise
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Q.33. Which of the following is not the right of an unpaid seller under Sale of Goods Act, 1930?

- A Right of lien on goods for the price while the goods are in possession of seller.
- B Right of stopping the goods in transit, in case of insolvency of buyer
- C Right of resale as limited by the Act
- D Right of withholding delivery where the property in the goods has passed to the buyer
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Q.34. In which of the following cases the unpaid seller cannot exercise the right of lien on goods in his possession?

- A Where goods have been sold without any stipulation regarding credit
- B Where the goods have been sold on credit but the term of the credit has expired
- C Where the buyer becomes insolvent

- D Where the goods have been sold on credit but the term of credit has not expired**

Q.35. In which of the following cases an unpaid seller does not lose his right of lien?

- A** When seller delivers the goods to a carrier or other bailee for the purpose of transmission to the buyer without reserving the right of disposal
- B** When buyer or his agent lawfully obtains possession of the goods
- C** When the unpaid seller has obtained the decree for the price of the goods
- D** When the unpaid seller himself waives off his right of lien

Q.36. In which of the following cases an unpaid seller who has parted with the possession of the goods has the right of stopping such goods in transit?

- A** When the buyer of goods has been declared as a person of unsound mind
- B** When the buyer of goods has been sentenced to imprisonment for a term of more than six months under any law
- C** When the buyer of goods has been declared as an insolvent
- D** When the buyer of goods has been sentenced to imprisonment for a term of more than two years under any law

Q.37. In which of the following cases, transit of goods is not deemed to be at an end?

- A** When the goods are rejected by the buyer and the carrier or bailee continues in possession of goods
- B** When the buyer or his agent in that behalf obtains delivery of goods before their arrival at the appointed destination
- C** When goods are in the possession of the carrier or bailee on buyer's behalf after their arrival at the appointed destination
- D** When the carrier or other bailee wrongfully refuses to deliver the goods to the buyer or his agent

Q.38. Which of the following is incorrect with regard to the manner through which right of stoppage in transit can be exercised by an unpaid seller?

- A An unpaid seller can exercise his right of stoppage in transit by taking actual possession of the goods
- B An unpaid seller can exercise his right of stoppage in transit by giving notice of his claim to the carrier who is in the possession of goods
- C An unpaid seller can exercise his right of stoppage in transit by giving notice of his claim to the bailee who is in the possession of the goods
- D Unpaid seller can exercise the right of stoppage in transit by giving an advertisement in leading newspaper of the place where the buyer ordinarily carries on his business.**

Q.39. Choose the most appropriate option in respect of a Sale which is not generally rescinded by lien or stoppage in transit?

- A A contract of sale is rescinded by the exercise of an unpaid seller's right of lien or stoppage of lien
- B Where an unpaid seller who has exercised his right of lien or stoppage in transit resells the goods, the buyer of such goods does not acquire a good title thereto as against the original buyer.
- C Where the seller resells the goods in case of buyer's default the original contract of sale is not rescinded
- D Where the unpaid seller who has exercised his right of lien or stoppage in transit gives notice to buyer of his intention to resell, the unpaid seller may resell the goods within a reasonable time and recover damages incurred due to his breach of the contract from the original buyer**

Q.40. Which of the following does not fall in the category of "goods"?

- A Stock and shares
- B Money and actionable claims
- C Growing crops and grass

- D** Things attached to or forming the part of land which are agreed to be severed before sale or under contract of sale

Q.41. Where there is a contract for the sale of specific or ascertained goods the property in them is transferred to the buyer at the time when the:

- A** Parties intend the property in goods to pass
B Contract is entered into
C Price is paid
D Delivery of goods has been made

Q.42. A contract of sale can be:

- A** Absolute only
B Conditional only
C Absolute or conditional
D Conditional only with the consent of the buyer.

Q.43. Where the transfer of the property in the goods is to take place at a future time or subject to some condition, then such contract is called

- A** An agreement to sell
B A contract to Sale
C Future Contract
D Conditional contract

Q.44. What are the requisites of contract of sale:

- A** An Offer and delivery of goods
B An Offer to buy or sell goods, for a price and its acceptance.
C An Offer, delivery, possession and acceptance
D An Offer, price, delivery and acceptance

Q.45. According to Sale of Goods Act, 1930, 'seller' means a person:

- A** who only agrees to sell the goods

- B who only sells the goods
- C who sells or agrees to sell
- D who transfers the possession of the goods to the other party

Q.46. ----- is termed as consideration in a contract of sale:

- A Exchange money
- B Barter money
- C Price
- D Reward

Q.47. When the buyer chooses to treat a breach of a condition as a breach of warranty, then the buyer may

- A Repudiate the contract
- B Reject the goods
- C Ask for indemnification
- D set up against the seller the breach of warranty in diminution or extinction of the price or can sue the seller for damages

Q.48. When the price is not determined in the contract or agreed between the parties, the buyer shall pay the seller:

- A a fair price
- B a reasonable price
- C market price
- D average price

Q.49. In case of breach of condition, the breach gives rise to:

- A Claim for damages
- B Rejection of goods
- C A right to repudiate the contract
- D A right of indemnification

Q.50. Which of the following is not an implied condition or warranty in a contract of sale?

- A The seller may take back the possession of the goods at a future date
- B The seller has a right to sell the goods and that in the case of an agreement to sell he will have a right to sell the goods at the time when the property is to pass
- C The buyer shall have and enjoy quiet possession of the goods
- D The goods shall be free from any charge or encumbrance in favour of any third party not declared or known to the buyer before or at the time when the contract is made.

Q.51. If the contract of sale is by sample as well as by description:

- A It is sufficient if the bulk of goods correspond to sample only
- B It is sufficient if the bulk of goods correspond to description only
- C It is not necessary to conform to the sample or description
- D **It is not sufficient that the bulk of the goods correspond with the sample if the goods do not correspond with the description.**

Q.52. Where under a contract of sale, the property in the goods has passed to the buyer and the buyer wrongfully neglects or refuses to pay for the goods, the seller may:

- A Ask for indemnification
- B Sue the buyer for damages of non-acceptance
- C Sue the buyer for compensation
- D **Sue the buyer for the price of goods**

Q.53. The position of the finder of lost goods is that of:

- A Bailee
- B Bailor
- C Creditor
- D True owner

Q.54. X purchases a car from Y. After 6 months, Z, the true owner of the car, demanded it from X. X had to return it to its true owner. X was entitled to recover the full price

even though several months have passed. This is an example of:

- A Condition as to description
- B Condition as to sample
- C Condition as to title
- D Condition as to fitness

Q.55. A drug was sold by an auction and according to the usage of trade it was to disclose in advance of any vast damage caused in the quality of the drug but such disclosure was not made and the drug was found to be defective. This is an example of:

- A Warranty as to undisturbed possession
- B Warranty as to quality or fitness by usage of trade
- C Warranty as to non-existence of encumbrances
- D Disclosure of dangerous nature of goods

Q.56. Where the seller wrongfully neglects or refuses to deliver the goods to the buyer, the buyer may sue for:

- A Damages for non-delivery
- B Damages for non-acceptance
- C Specific performance
- D Compensation

Q.57. A stipulation in contract of sale with reference to goods which are the subject there of may be

- A Condition
- B Warranty
- C Both (A) and (B)
- D None of the above

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ANSWER SHEET

The Sale of Goods Act, 1872

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|-------|-------|
| 1. D | 33. D |
| 2. C | 34. D |
| 3. A | 35. C |
| 4. D | 36. C |
| 5. B | 37. A |
| 6. C | 38. D |
| 7. D | 39. D |
| 8. B | 40. A |
| 9. D | 41. D |
| 10. A | 42. C |
| 11. D | 43. A |
| 12. A | 44. C |
| 13. B | 45. C |
| 14. C | 46.C |
| 15. D | 47.D |
| 16. A | 48.B |
| 17. A | 49.C |
| 18. B | 50. A |
| 19. A | 51.D |
| 20. A | 52.D |
| 21. C | 53.A |
| 22. D | 54.D |
| 23. C | 55.B |
| 24. D | 56.A |
| 25. A | 57.c |
| 26. D | |
| 27. B | |
| 28. D | |
| 29. B | |
| 30. C | |
| 31. A | |
| 32. C | |

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