CLAT PG Property Law

Sample Paper – 1

Duration: 20 Minutes **Maximum Marks: 20**

Instructions

- This paper contains **20 Multiple Choice Questions (Single Correct Answer)**, modelled on the Property Law portion of **CLAT PG** entrance.
- Each correct answer carries **+1 mark**. Each incorrect answer carries a penalty of −**0.25 marks**. Unattempted questions carry no penalty.
- Only **one** option is correct. Choose carefully.
- Syllabus: **Transfer of Property Act, 1882; Registration Act, 1908; Easements Act, 1882** (LLB level).
- Use of mobile phones, calculators, or electronic gadgets is strictly prohibited.

SECTION A – Questions

Q1. Ravi executes a registered deed conveying his agricultural land to his son Mohan during Ravi's lifetime. Ravi's cousin challenges the transaction, arguing that since the transfer was made under alleged family pressure, it cannot qualify as a "transfer of property" under the Transfer of Property Act, 1882. The dispute requires a determination of what the expression "transfer of property" means under the Act.

Which of the following **correctly** states what constitutes a "transfer of property" as defined under **Section 5** of the Transfer of Property Act, 1882?

(A) It is an act by which a living person conveys property, in present or in future, to one or more other living persons, or to himself and one or more other living persons; the word "living person" includes a company or association or body of individuals, whether incorporated or not.

(B) It is an act by which any person, whether living or deceased, conveys property to another person exclusively by way of gift or sale, and only in respect of immovable property.

(C) It is an act exclusively performed through a registered instrument whereby immovable property is transferred from one party to another strictly for monetary consideration.

(D) It is an act by which property is transferred between parties only after the death of the transferor, taking effect as a testamentary disposition governed by the Indian Succession Act.

Q2. Priya, aged 16, enters into an agreement to sell her inherited urban plot to Arvind. Arvind pays an advance of Rs. 2,00,000 and takes partial possession. Priya's guardian challenges the sale, but Priya argues that since she is the owner, she has full authority to transfer the property under the Transfer of Property Act, 1882.

Under **Section 7** of the Transfer of Property Act, 1882, which of the following conditions must a transferor satisfy to be **competent to transfer** property?

(A) The transferor must be above 18 years of age and must have actual physical possession of the property at the time of transfer.

(B) The transferor must be competent to contract under the Indian Contract Act, 1872, and must be entitled to the transferable property, or authorised to dispose of it.

(C) The transferor must be a citizen of India and must have obtained prior approval from the concerned revenue authority before effecting any transfer.

(D) The transferor must have the property registered in their own name and must not have any subsisting encumbrance or debt secured against it.

Q3. Rahul, expecting to inherit his father's estate upon his father's death, enters into a written agreement with his uncle Dinesh, agreeing to transfer his "chance of succession" to the estate for Rs. 5,00,000. Rahul's father is alive and healthy at the time of the agreement. Dinesh pays the amount. Later, when Rahul's father dies and the estate vests in Rahul, Dinesh demands transfer of the property. Rahul refuses.

Under **Section 6** of the Transfer of Property Act, 1882, which of the following **cannot** be transferred?

(A) A mortgage deed along with the outstanding mortgage money secured thereunder.

(B) An actionable claim arising from an ascertained, unpaid commercial debt.

(C) A mere chance of succeeding to property as heir upon the death of a living relative (spes successionis).

(D) A future lease right in respect of an identified immovable property for a fixed and definite period.

Q4. Suresh creates a trust directing that his ancestral property shall vest in the children of his nephew Ajay only upon such children attaining the age of 30 years. At the time the trust is created, Ajay is 25 years old and has no children. A legal advisor challenges the validity of the trust, contending that the vesting condition violates the rule against perpetuity.

Under **Section 14** of the Transfer of Property Act, 1882, which of the following **correctly** states the rule against perpetuity?

(A) No transfer of property can operate to create an interest that vests after more than 99 years from the date of the instrument creating the transfer.

(B) No transfer of property can vest an interest after the lifetime of one or more persons living at the date of the transfer plus a further period not exceeding 25 years.

(C) No transfer of property can create an interest that vests after more than two generations from the date of the transfer instrument.

(D) No transfer of property can operate to create an interest that vests after the lifetime of one or more persons living at the date of such transfer and the minority of some person who shall be in existence at the expiration of that period, and to whom, if he attains full age, the interest created is to belong.

Q5. Anil transfers his residential house to Bharat for Rs. 50,00,000. The sale deed is duly executed, stamped, and registered, and possession is handed over on the same day. Subsequently, Anil claims the transaction was a mere family arrangement and not a statutory sale, since the price was below market value.

Under **Section 54** of the Transfer of Property Act, 1882, which of the following **best** defines a "sale" of immovable property?

(A) A sale is a transfer of ownership in exchange for a price paid, promised, part-paid, or part-promised.

(B) A sale is any transfer of property between parties for any consideration whether in money, services, goods, or other property of value.

(C) A sale is a transfer of ownership that takes effect only upon registration of the instrument and simultaneous physical delivery of possession to the buyer.

(D) A sale is a transfer of ownership by a competent person to another, which must be accompanied by full payment of the agreed price at the time of execution of the deed.

Q6. Sita purchases agricultural land from Ramesh. After taking possession and completing registration, Sita discovers that the land is subject to a pending civil suit regarding boundary disputes, of which Ramesh had full knowledge but deliberately failed to inform her. Sita claims Ramesh breached his statutory duty as seller.

Under **Section 55(4)(a)** of the Transfer of Property Act, 1882, which of the following obligations is **imposed on the seller** in a contract of sale of immovable property?

(A) The seller must ensure physical delivery of possession of the property before receiving any part of the sale price.

(B) The seller must disclose to the buyer any material defect in the property or in the seller's title of which the seller is aware and which the buyer is not aware and could not with ordinary care discover.

(C) The seller must indemnify the buyer against all third-party claims that arise within five years from the date of completion of the sale.

(D) The seller must obtain a no-objection certificate from the local revenue authority and produce it to the buyer before executing the sale deed.

Q7. Deepak borrows Rs. 10,00,000 from a bank. The mortgage deed expressly states that Deepak binds himself personally to repay the loan, that no possession of the mortgaged residential plot is transferred to the bank, and that in the event of default, the bank may cause the plot to be sold through a court order to recover its dues.

Which of the following **correctly** describes a "simple mortgage" as defined under **Section 58(a)** of the Transfer of Property Act, 1882?

(A) A simple mortgage involves delivery of physical possession of the mortgaged property to the mortgagee, who retains possession and applies rents and profits towards the mortgage debt until repayment.

(B) A simple mortgage is one where the mortgagor deposits the original title documents of the property with the mortgagee as security, without executing any written instrument.

(C) A simple mortgage is a mortgage where the mortgagor, without delivering possession, binds himself personally to pay the mortgage money, and agrees that in the event of default the mortgagee shall have the right to cause the mortgaged property to be sold without taking possession.

(D) A simple mortgage involves a conditional transfer of ownership such that if the loan is not repaid by a stipulated date, the mortgage deed operates as an absolute sale in favour of the mortgagee.

Q8. Gopal mortgages his house to secure a loan. The mortgage deed contains a clause stating that Gopal shall not be entitled to redeem the mortgage for a period of 40 years from the date of execution. Gopal attempts to redeem the mortgage after 10 years by tendering the full outstanding amount, but the mortgagee refuses, pointing to the redemption-restriction clause.

Under **Section 60** of the Transfer of Property Act, 1882, which of the following **correctly** states the mortgagor's right of redemption?

(A) The mortgagor forfeits the right of redemption if the mortgagee has been in lawful possession of the mortgaged property for a continuous period exceeding 12 years.

(B) The right of redemption may be validly and finally extinguished by a clause in the mortgage deed specifying a fixed maximum period beyond which no redemption may occur.

(C) The mortgagor's right of redemption arises only after the entire mortgage money becomes due and can be exercised exclusively through a decree of a competent civil court.

(D) At any time after the mortgage money has become due and before the right of redemption has been extinguished by a decree of a court or act of the parties, the mortgagor has a right to redeem the mortgage; any stipulation which impedes or prevents this right of redemption is void.

Q9. Vinod mortgages his factory to NBFC Ltd. to secure a loan. The mortgage deed contains a clause granting NBFC Ltd. an option to purchase the factory at the outstanding loan value if Vinod defaults on even a single monthly instalment. Vinod defaults once, and NBFC Ltd. immediately invokes the option, claiming it has become the owner of the factory.

Regarding the doctrine of **clog on the equity of redemption** under Indian mortgage law, which of the following statements is **correct**?

(A) Any stipulation inserted in a mortgage deed that prevents, fetters, or clogs the mortgagor's right to redeem the property upon repayment of the mortgage money is void and cannot be enforced by the mortgagee.

(B) A mortgagee can validly insert an option to purchase the mortgaged property in the mortgage deed, provided such option is exercised within the original mortgage period before any default occurs.

(C) The mortgagor's right of redemption is automatically extinguished upon default of two or more consecutive monthly instalments of the mortgage money, without the need for a court decree.

(D) The doctrine of clog on the equity of redemption applies exclusively to usufructuary mortgages and has no application to simple mortgages or English mortgages.

Q10. Ajay grants Bijay the right to use and occupy his warehouse for storing goods for a period of three years, in return for a monthly payment of Rs. 25,000. Bijay contends that the arrangement is not a statutory lease since no formal lease deed was executed and registered. Ajay maintains that the transaction satisfies the statutory definition of a lease.

Under **Section 105** of the Transfer of Property Act, 1882, which of the following is the **correct definition** of a "lease" of immovable property?

(A) A lease is a transfer of ownership of immovable property for a defined period in exchange for a lump-sum payment, with an automatic right of renewal at the option of the lessee upon the expiry of the original term.

(B) A lease of immovable property is a transfer of a right to enjoy such property, made for a certain time, express or implied, or in perpetuity, in consideration of a price paid or promised, or of money, share of crops, service, or any other thing of value, to be rendered periodically or on specified occasions to the transferor.

(C) A lease is any written arrangement between a licensor and a licensee permitting temporary possession and enjoyment of property, restricted to residential and domestic purposes only.

(D) A lease is a transfer of immovable property that must in every case be compulsorily registered under the Registration Act, 1908, regardless of the duration or value of the lease.

Q11. Meena takes a commercial shop on lease from Suresh for five years. During the lease period, Meena installs industrial air-conditioning units and modifies the electrical wiring for her business. Upon expiry of the lease, Meena wishes to remove the air-conditioning units. Suresh refuses, claiming the units have become fixtures forming part of the building structure.

Under **Section 108** of the Transfer of Property Act, 1882, which of the following **correctly** states the lessee's right regarding fixtures erected during the lease?

(A) The lessee has no right to remove any fixtures attached to the leased property during the tenancy, as all fixtures become the absolute property of the lessor from the moment of attachment.

(B) The lessee may remove fixtures only with the prior written consent of the lessor, and only if such removal can be accomplished without any structural damage to the premises.

(C) The lessee may remove, at any time while she is in possession of the leased premises, any machinery, plant, or fixture erected by her for the purpose of her trade or business, provided the premises are restored to the condition in which they were at the time they were let.

(D) The lessee's right to remove fixtures expires automatically upon the determination of the lease, and any fixtures remaining on the property thereafter vest absolutely and irrevocably in the lessor.

Q12. Harish grants a fixed-term lease of agricultural land to Sunil for exactly five years. Four years into the lease, Harish serves an oral notice on Sunil asking him to vacate immediately. Sunil refuses and argues that a fixed-term lease can only end by efflux of the stipulated time and that Harish's unilateral oral communication has no legal effect.

Under **Section 111** of the Transfer of Property Act, 1882, a lease of immovable property is **NOT determined** by which of the following?

(A) By efflux of the time limited thereby.

(B) Where such time is limited conditionally on the happening of some specified event – by the happening of that event.

(C) Where the interest of the lessor in the property terminates – by the termination of that lessor's interest in the property.

(D) By the unilateral oral communication of one party's intention to terminate, without adherence to any statutory notice requirement or valid contractual termination clause.

Q13. Ramesh, out of natural love and affection, hands over his gold jewellery worth Rs. 8,00,000 to his daughter Kavitha on her wedding day. Kavitha accepts the jewellery in Ramesh's presence. Ramesh's creditors later argue that since there was no consideration, the transfer is not a valid legal transaction and should be set aside.

Under **Section 122** of the Transfer of Property Act, 1882, which of the following **correctly** defines a "gift"?

(A) Gift is the transfer of certain existing movable or immovable property made voluntarily and without consideration, by one person called the donor, to another called the donee, and accepted by or on behalf of the donee.

(B) A gift is any transfer of property between family members motivated by natural love and affection, regardless of whether the donee has given any acceptance during the donor's lifetime.

(C) A gift of immovable property is valid only if it is made through a compulsorily registered instrument accompanied by simultaneous delivery of physical possession of the gifted property.

(D) A gift is a transfer of property made by a person in contemplation of death (donatio mortis causa), which takes effect solely upon the death of the donor and does not require formal acceptance by the donee.

Q14. Sanjay gifts his ancestral house to his nephew Karan by a registered gift deed. The deed contains a clause stating that the gift shall stand revoked if Karan ever marries a person of whom Sanjay does not approve. Years later, Karan marries without seeking Sanjay's approval, and Sanjay attempts to revoke the gift on the basis of the clause.

Under **Section 126** of the Transfer of Property Act, 1882, which of the following is a **valid ground** on which a donor may revoke a gift?

(A) A gift can be revoked at any time by the donor on the ground that the donee has failed to discharge a moral obligation or duty of care towards the donor.

(B) A gift may be revoked if the donor and donee have agreed at the time of the gift that on the happening of a specified event which does not depend on the will of the donor, the gift shall be revoked.

(C) A gift is absolutely irrevocable upon acceptance and physical delivery of the gifted property, and cannot be revoked under any circumstances thereafter.

(D) A gift can be revoked by the donor within three years from the date of the registered gift deed, even in the absence of any contractual stipulation for revocation in the deed.

Q15. Prabha transfers her residential house in Mumbai to Kiran. In return, Kiran transfers his car valued at Rs. 8,00,000 and also pays Rs. 5,00,000 in cash to Prabha. Prabha later contends that since money changed hands, the transaction must be classified as a sale. Kiran argues it constitutes an exchange.

Under **Section 118** of the Transfer of Property Act, 1882, which of the following **correctly** distinguishes an "exchange" from a "sale"?

(A) An exchange must always involve the transfer of two immovable properties, whereas a sale involves only one immovable property transferred for monetary consideration.

(B) In an exchange, no money can pass between the parties; the involvement of any monetary payment automatically converts the transaction into a sale under the Act.

(C) When two persons mutually transfer the ownership of one thing for the ownership of another, the transaction is an exchange; it is distinguished from a sale in that the consideration in a sale is money only, while in an exchange, the consideration is property – although money may form part of the consideration in an exchange.

(D) An exchange is valid only if both properties being exchanged are of substantially equal market value assessed by a government valuer; otherwise, the excess-value transaction is treated as a sale.

Q16. Shyam is owed Rs. 2,00,000 by Mohan under a loan agreement. Shyam assigns this unsecured debt to Apex Bank by a written instrument. Apex Bank seeks to recover the amount directly from Mohan. Mohan contests the assignment, arguing that an intangible debt is not "property" capable of transfer under the Transfer of Property Act, 1882.

Under **Section 3** of the Transfer of Property Act, 1882, which of the following **correctly** defines an "actionable claim"?

(A) An actionable claim is any claim that has been adjudicated upon and formally decreed by a civil court and is therefore enforceable in execution proceedings.

(B) An actionable claim refers exclusively to claims arising from negotiable instruments such as promissory notes, bills of exchange, and cheques as defined in the Negotiable Instruments Act.

(C) An actionable claim is any movable property that is capable of physical delivery and can be transferred by way of endorsement and delivery to a transferee.

(D) An actionable claim is a claim to any debt, other than a debt secured by mortgage of immovable property or by hypothecation or pledge of movable property, or to any beneficial interest in movable property not in the possession, either actual or constructive, of the claimant.

Q17. Arun is defending a suit filed against him by Priya for specific performance of a contract relating to his agricultural land. While the suit is pending before a civil court of competent jurisdiction, Arun sells the land to Bharat, who pays full market value and has no actual knowledge of the pending litigation. The court subsequently decrees the suit in Priya's favour.

Under **Section 52** of the Transfer of Property Act, 1882 (doctrine of lis pendens), which of the following **correctly** states the effect of a transfer of immovable property made pendente lite?

(A) Any transfer of immovable property made during the pendency of a suit in a court of competent jurisdiction, which affects the right to that property, shall be subject to the result of the suit; the transferee takes the property bound by the court's ultimate decree, irrespective of whether he had notice of the pending litigation.

(B) A bona fide purchaser for full market value who has no actual notice of a pending suit is fully protected against any subsequent adverse decree and takes the property free from it.

(C) The doctrine of lis pendens applies only to gratuitous transfers made without consideration during the pendency of a suit, and does not affect a sale for adequate monetary consideration.

(D) A transfer made pendente lite is void ab initio; the transferee acquires absolutely no title whatsoever in the property, and the transaction is treated as if it never occurred.

Q18. Geeta enters into a written agreement to sell her agricultural land to Hari for Rs. 20,00,000. Hari pays Rs. 5,00,000 as advance and takes possession of the land pursuant to the agreement. He cultivates the land for two years. The sale deed is never formally executed or registered. Geeta attempts to evict Hari, claiming he has no title or legal right to remain in possession.

Under **Section 53A** of the Transfer of Property Act, 1882, which of the following **correctly** states the conditions for invoking the doctrine of part performance?

(A) The doctrine applies to oral agreements for transfer of immovable property, provided the transferee has taken possession and paid the full purchase consideration before the suit.

(B) The doctrine applies when: (i) there is a written contract for transfer signed by the transferor; (ii) the transferee has, in part performance of the contract, taken possession of the property or done some act in furtherance of the contract; (iii) the transferee has performed or is willing to perform his part of the contract; and (iv) the transferor is barred from enforcing any right inconsistent with the transferee's rights under the contract.

(C) The doctrine of part performance confers full legal ownership rights on the transferee and entitles the transferee to sue for specific performance without being subject to any period of limitation.

(D) The doctrine is available only in cases where the transferee has paid the entire purchase consideration in full and the subject matter is exclusively agricultural land.

Q19. Advocate Rajan is advising two clients. The first client has a lease deed of immovable property for exactly 11 months at a nominal rent. The second client has a sale deed for property worth Rs. 1,50,000. Both clients ask which documents require compulsory registration under the Registration Act, 1908. The clients wish to know the correct legal position.

Under **Section 17** of the Registration Act, 1908, which of the following documents is **compulsorily required** to be registered?

(A) A lease of immovable property for a period not exceeding one year, accompanied only by a nominal rent, whether or not possession is delivered.

(B) A will or testamentary instrument bequeathing immovable property to a relative, including any codicil thereto.

(C) A non-testamentary instrument that purports or operates to create, declare, assign, limit, or extinguish, whether in present or in future, any right, title, or interest, whether vested or contingent, of the value of one hundred rupees and upwards, to or in immovable property.

(D) A power of attorney authorising an agent to manage, let out, or collect rent from immovable property on behalf of the principal.

Q20. A, the absolute owner of a plot, first grants a 10-year lease of the plot to B. Six months later, without disclosing the existing lease to C, A mortgages the same plot to C to secure a loan. A subsequently defaults on the mortgage, and C seeks to take possession of the plot, claiming the mortgage supersedes the lease and that B must vacate.

Under **Section 48** of the Transfer of Property Act, 1882, which of the following **correctly** states the rule of priority between successive transfers by the same transferor?

(A) The last transferee in time prevails over all prior transferees, since the transferor retains residual power to make subsequent transfers of greater legal force over the property.

(B) All transfers made by the same transferor over the same property rank equally in priority, and the rights of competing transferees are determined solely by the equitable discretion of the court.

(C) The mortgagee always prevails over any lessee in a conflict of rights, since a mortgage is recognised as a superior security interest to a lease under the Transfer of Property Act.

(D) Where a person purports to create by transfer at different times rights in or over the same immovable property, and such rights cannot all exist or be exercised to their full extent together, each later-created right shall, in the absence of a special contract or reservation binding the earlier transferee, be subject to the rights previously created.

DETAILED SOLUTIONS

Sol. 1.

Solution

Concept — Section 5, Transfer of Property Act, 1882 (Definition of Transfer of Property): Section 5 defines "transfer of property" as an act by which a **living person** conveys property, in present or in future, to one or more other living persons, or to himself and one or more other living persons. The section expressly includes within the term "living person" a company, association, or body of individuals, whether incorporated or not.

Analysis: The key features of Section 5 are: (1) the act must be by a *living person*; (2) the transfer may be in present or in future; and (3) the transferee must be a living person or include a living person. Option (A) captures all these elements accurately and also reflects the statutory note regarding companies and bodies of persons. The mode of transfer, the instrument used, and the consideration involved are not definitional prerequisites.

Why other options are wrong:

- Option (B): Section 5 does not restrict transfers to gift or sale only, nor does it limit transfers to immovable property alone.
- Option (C): A registered instrument is not universally required for a transfer; registration depends on the nature and value of the property. Monetary consideration is not an essential element.
- Option (D): Section 5 deals with inter vivos transfers by *living* persons. Testamentary dispositions after death are governed by the Indian Succession Act, 1925, not TPA.

Final Answer: Section 5 TPA defines transfer of property as an act by a living person conveying property to one or more living persons. $\Rightarrow \boxed{A}$

Answer: (A) Go Back to Q1

Sol. 2.

Solution

Concept — Section 7, Transfer of Property Act, 1882 (Competency to Transfer): Section 7 lays down two cumulative conditions for competency: (i) the person must be **competent to contract** as required by the Indian Contract Act, 1872 (i.e., must be of majority, sound mind, and not disqualified); and (ii) the person must be **entitled to the transferable property**, or authorised to dispose of transferable property not their own.

Analysis: Priya, being 16 years old, is a minor and therefore not competent to contract under Section 11 of the Indian Contract Act. Her ownership of the property does not by itself grant her the power to transfer it validly. Option (B) correctly states the dual requirement of contractual competence and title/authority.

Why other options are wrong:

- Option (A): Physical possession is not a statutory requirement under Section 7. A person may transfer property they own but do not physically possess.
- Option (C): Citizenship and revenue-authority approval are not conditions for competency under Section 7.
- Option (D): Registration of property in one's name is not a condition; and the absence of debt is not required by Section 7.

Final Answer: Competency under Section 7 requires contractual competence plus entitlement/authority over the property. $\Rightarrow \boxed{\text{B}}$

Answer: (B) Go Back to Q2

Sol. 3.

Solution

Concept — Section 6, Transfer of Property Act, 1882 (What May Not Be Transferred): Section 6 enumerates several categories of property that cannot be transferred. Clause (a) expressly provides that a **spes successionis** – a mere chance of succeeding to property as heir upon the death of a living ancestor, or any other mere possibility of a like nature – cannot be transferred.

Analysis: Rahul's "chance of succession" is a textbook spes successionis. Since his father is alive, Rahul has no vested or contingent interest in the estate – only a bare expectancy. Such an expectancy has no present legal existence and is therefore incapable of transfer. Dinesh's agreement is void from the outset.

Why other options are wrong:

- Option (A): A mortgage deed along with mortgage money is an actionable claim and is transferable under Section 6(e).
- Option (B): An actionable claim such as an ascertained commercial debt is expressly transferable under Sections 6(e) and 130 of TPA.
- Option (D): Future lease rights in respect of an identified property for a fixed period are transferable; they are not barred by Section 6.

Final Answer: Spes successionis (mere chance of succession) cannot be transferred under Section 6(a) TPA. $\Rightarrow \boxed{\text{C}}$

Answer: (C) Go Back to Q3

Sol. 4.

Solution

Concept — Section 14, Transfer of Property Act, 1882 (Rule Against Perpetuity): Section 14 provides that no transfer of property can operate to create an interest that must vest (if at all) after the lifetime of one or more persons living at the date of the transfer, and the minority of some person who shall be in existence at the expiration of that period. In effect, vesting may be postponed during: (i) the life of one or more persons living at the date of transfer; plus (ii) the minority of a person who comes into existence at or before the end of those lives.

Analysis: The trust in the question requires vesting at age 30 (i.e., 12 years beyond majority of 18). This exceeds the permitted minority period and therefore violates Section 14. Option (D) accurately reproduces the statutory formula.

Why other options are wrong:

- Option (A): There is no 99-year rule in Section 14 of TPA.
- Option (B): The permitted period is not "lifetime + 25 years" – it is lifetime of living person(s) plus *minority* (up to 18 years) of a person in existence at the end of that period.
- Option (C): A "two-generation" test is not the statutory rule under Section 14.

Final Answer: Section 14 limits vesting to the lifetime of living persons plus the minority of a person in existence at the expiration of that period. $\Rightarrow \boxed{\text{D}}$

Answer: (D) Go Back to Q4

Sol. 5.

Solution

Concept — Section 54, Transfer of Property Act, 1882 (Sale – Definition): Section 54 defines sale as "a transfer of ownership in exchange for a price paid or promised or part-paid and part-promised." The essential elements are: (i) transfer of ownership; (ii) exchange for a price; (iii) the price must be in money (not other property – that would be exchange). The price may be paid, promised, or partly paid and partly promised.

Analysis: Option (A) reproduces the statutory definition precisely. The adequacy of price is not a requirement – below-market consideration does not deprive the transaction of its character as a sale. Registration and possession are consequences/modalities, not definitional requirements.

Why other options are wrong:

- Option (B): A sale under Section 54 requires money as consideration, not services, goods, or other property (which would constitute exchange or barter).
- Option (C): Registration is required for immovable property worth Rs. 100 and above, but it is not part of the *definition* of a sale; possession delivery is also not definitional.
- Option (D): The price need not be paid in full at execution; it may be part-paid and part-promised, or entirely promised (credit sale).

Final Answer: Sale under Section 54 is a transfer of ownership for a price paid, promised, or part-paid and part-promised. $\Rightarrow \boxed{\text{A}}$

Answer: (A) Go Back to Q5

Sol. 6.

Solution

Concept — Section 55(4)(a), Transfer of Property Act, 1882 (Rights and Duties of Seller): Section 55(4) lists the duties of the buyer and rights of the seller. Section 55(1) lists the duties of the seller, including the obligation under Section 55(1)(a): the seller is bound to disclose to the buyer any material defect in the property or in the seller's title, of which the seller is aware and which the buyer is not aware, and which the buyer could not with ordinary care discover.

Analysis: The seller's duty of disclosure is a paramount obligation rooted in good faith. A pending litigation affecting title or possession is a material defect that

Ramesh was obliged to disclose. Option (B) correctly captures this duty.

Why other options are wrong:

- Option (A): Section 55(1)(f) obliges the seller to deliver possession on completion, but this is not conditioned on prior receipt of price – it is a separate duty.
- Option (C): No statutory five-year indemnity obligation exists under Section 55 of TPA.
- Option (D): No-objection certificates from revenue authority are not a requirement under Section 55 of TPA.

Final Answer: Under Section 55(1)(a), the seller must disclose material defects in property or title known to him but not to the buyer. $\Rightarrow \boxed{\text{B}}$

Answer: (B) Go Back to Q6

Sol. 7.

Solution

Concept — Section 58(a), Transfer of Property Act, 1882 (Simple Mortgage): Section 58(a) defines a simple mortgage as one where, without delivering possession of the mortgaged property, the mortgagor personally binds himself to repay the mortgage money, and agrees that in the event of his failing to pay according to the contract, the mortgagee shall have a right to cause the mortgaged property to be sold and the proceeds applied (so far as may be necessary) in payment of the mortgage money.

Analysis: The defining features of a simple mortgage are: (i) *no* delivery of possession; (ii) personal covenant to repay; and (iii) right of sale (not foreclosure and not possession) on default. Deepak's mortgage matches this description exactly. Option (C) correctly identifies these features.

Why other options are wrong:

- Option (A): Delivery of possession characterises a usufructuary mortgage, not a simple mortgage.
- Option (B): Deposit of title documents without a written instrument describes an equitable mortgage (English mortgage variant) under Section 58(f), not a simple mortgage.
- Option (D): A conditional sale element (ownership passing on default) characterises a mortgage by conditional sale under Section 58(c).

Final Answer: A simple mortgage under Section 58(a) involves no delivery of possession, a personal covenant, and a right to cause sale on default. ⇒ $\boxed{\text{C}}$

Answer: (C) Go Back to Q7

Sol. 8.

Solution

Concept — Section 60, Transfer of Property Act, 1882 (Right of Redemption): Section 60 enshrines the mortgagor's right to redeem the mortgage at any time after the mortgage money has become due and before the right of redemption has been extinguished by a court decree or by the act of the parties. The proviso makes clear that *any* stipulation that impedes or prevents the exercise of this right is void – giving rise to the maxim "once a mortgage, always a mortgage."

Analysis: Gopal's clause restricting redemption for 40 years is a classic "clog" on the equity of redemption and is void under the proviso to Section 60. Gopal may redeem at any time after the money has become due, regardless of the clause. Option (D) accurately states this position.

Why other options are wrong:

- Option (A): Adverse possession by a mortgagee for 12 years does not, by itself, extinguish the right of redemption under TPA; limitation rules are separate.
- Option (B): A clause in the mortgage deed cannot validly extinguish the right of redemption – that is precisely what the proviso to Section 60 prohibits.
- Option (C): The right of redemption is not restricted to a court decree; the mortgagor may tender the money and seek redemption without suing, or sue for redemption – it is not exclusively a court process.

Final Answer: Section 60 gives the mortgagor an indefeasible right of redemption; any clause impeding it is void. ⇒ $\boxed{\text{D}}$

Answer: (D) Go Back to Q8

Sol. 9.

Solution

Concept — Clog on the Equity of Redemption: The doctrine of clog on the equity of redemption flows from the equitable maxim "once a mortgage, always a mortgage." Any stipulation or collateral advantage inserted in a mortgage deed that prevents, fetters, or clogs the mortgagor's right to get back the property free and clear upon repayment is void and unenforceable in a court of equity. Indian courts have consistently held that an option to purchase inserted by a mortgagee in a mortgage deed is a clog and is void.

Analysis: NBFC Ltd.'s option to purchase on a single default is precisely such a clog. The moment the property is redeemable, no collateral advantage can deprive the mortgagor of redemption. Option (A) correctly states the doctrine.

Why other options are wrong:

- Option (B): An option to purchase in a mortgage deed is void as a clog, irrespective of when it is exercised – even within the mortgage period.
- Option (C): The right of redemption is not automatically extinguished by two defaults; it requires a court decree or act of the parties as provided by Section 60.
- Option (D): The doctrine applies to all forms of mortgage, not only usufructuary mortgages. Indian courts have applied it to simple, English, and conditional-sale mortgages as well.

Final Answer: Any stipulation that clogs the equity of redemption is void and unenforceable. $\Rightarrow \boxed{\text{A}}$

Answer: (A) Go Back to Q9

Sol. 10.

Solution

Concept — Section 105, Transfer of Property Act, 1882 (Lease – Definition): Section 105 defines a lease as a transfer of a right to enjoy immovable property, made for a certain time (express or implied) or in perpetuity, in consideration of a price paid or promised, or of money, a share of crops, service, or any other thing of value, to be rendered periodically or on specified occasions, by the transferee to the transferor. The transferor is the lessor; the transferee, the lessee; the price or other thing to be so rendered, the premium; and the money, share, service or other thing to be so rendered, the rent.

Analysis: Ajay's arrangement with Bijay satisfies all the ingredients of Section 105: a defined property, a transfer of the right to enjoy it, a fixed time, and periodic monetary consideration. The absence of a formal registered deed does not, by itself, void the lease for terms not exceeding one year. Option (B) accurately reproduces the statutory definition.

Why other options are wrong:

- Option (A): A lease transfers the *right to enjoy*, not ownership; and lump-sum payment describes a premium, which is distinct from recurring rent.
- Option (C): A lease is not restricted to residential use; commercial and industrial leases are fully recognised. Oral leases for up to one year are also valid.
- Option (D): Compulsory registration under Section 17 of the Registration Act is required for leases exceeding one year, not all leases.

Final Answer: A lease under Section 105 is a transfer of the right to enjoy immovable property for a time or in perpetuity, for consideration. $\Rightarrow \boxed{\text{B}}$

Answer: (B) Go Back to Q10

Sol. 11.

Solution

Concept — Section 108(h), Transfer of Property Act, 1882 (Lessee's Right to Remove Fixtures): Section 108(h) confers on the lessee the right to remove, at any time *while she is in possession*, any machinery, plant, or fixture erected by her on the leased premises for the purpose of her trade or business, provided the premises are restored to the condition in which they were let. This right exists even though the fixtures may have become attached to the structure during the lease.

Analysis: Meena installed air-conditioning units for her business. Section 108(h) gives her the right to remove them while in possession, as long as she restores the shop to its original condition. Suresh's claim that the units have become immovable fixtures belonging to him is incorrect as against the lessee's statutory right under Section 108(h). Option (C) correctly states this right.

Why other options are wrong:

- Option (A): Section 108(h) expressly grants the right to remove such fixtures; there is no absolute rule vesting them in the lessor upon attachment.

- Option (B): Written consent of the lessor is not a statutory prerequisite under Section 108(h); the lessee's right is independent and unilateral.
- Option (D): The right exists *while in possession* – but it does not expire at the exact moment the lease ends. Courts have given some latitude, and in any event Section 108(h) does not make the right absolutely forfeit upon lease expiry alone.

Final Answer: Section 108(h) allows the lessee to remove business fixtures while in possession, restoring the premises thereafter. $\Rightarrow \boxed{\text{C}}$

Answer: (C) Go Back to Q11

Sol. 12.

Solution

Concept — Section 111, Transfer of Property Act, 1882 (Determination of Lease): Section 111 enumerates the modes by which a lease is determined (i.e., brought to an end): (a) by efflux of time; (b) on the happening of a limiting event; (c) by the lessor's interest terminating; (d) by merger; (e) by express surrender; (f) by implied surrender; (g) by forfeiture; and (h) by expiration of notice to quit given by the lessor or lessee.

Analysis: The question asks what does *not* determine a lease. Options (A), (B), and (C) all correspond to recognised modes under Section 111. Option (D) – a unilateral oral communication without adherence to any statutory notice requirement or contractual clause – is not a valid mode of determination under Section 111. Section 106 prescribes the statutory notice period (15 days for monthly leases, 6 months for yearly leases of immovable property), and Section 111(h) requires a valid notice to quit.

Why other options are wrong:

- Option (A): Efflux of time is expressly listed under Section 111(a) as a valid mode.
- Option (B): Happening of a specified limiting event is Section 111(b).
- Option (C): Termination of the lessor's interest is Section 111(c).

Final Answer: A unilateral oral communication without a valid statutory or contractual notice does not determine a lease under Section 111. $\Rightarrow \boxed{\text{D}}$

Answer: (D) Go Back to Q12

Sol. 13.

Solution

Concept — Section 122, Transfer of Property Act, 1882 (Gift – Definition): Section 122 defines gift as the transfer of certain existing movable or immovable property made voluntarily and without consideration, by one person called the donor, to another called the donee, and accepted by or on behalf of the donee. Acceptance must occur during the donor's lifetime and while the donor is still capable of giving. The gift is void if the donee dies before acceptance.

Analysis: The essential ingredients under Section 122 are: (i) voluntary transfer; (ii) without consideration; (iii) of existing property; (iv) acceptance by the donee (in the donor's lifetime). The absence of consideration does not invalidate the gift; in fact, it is a defining characteristic. Creditors cannot attack a genuine gift merely because there was no consideration. Option (A) accurately captures the statutory definition.

Why other options are wrong:

- Option (B): Acceptance is an essential requirement under Section 122; a transfer without acceptance by the donee is not a valid gift.
- Option (C): A gift of movable property may be effected by delivery; a registered deed is required only for gifts of immovable property. Possession delivery alone is not the statutory test.
- Option (D): Section 122 governs inter vivos gifts; a gift in contemplation of death (donatio mortis causa) is governed by different rules and is generally not recognised under the TPA framework.

Final Answer: A gift under Section 122 is a voluntary transfer without consideration of existing property, accepted by the donee. $\Rightarrow \boxed{\text{A}}$

Answer: (A) Go Back to Q13

Sol. 14.

Solution

Concept — Section 126, Transfer of Property Act, 1882 (Revocation of Gift): Section 126 provides two grounds for revocation of a gift: (i) where the donor and donee have agreed that on the happening of a *specified event which does not depend on the will of the donor* the gift shall be revoked; and (ii) where the gift is in the nature of a contract and may be rescinded for failure of consideration or fraud etc. A gift cannot be revoked solely at the caprice of the donor; there must be a pre-agreed revocation clause tied to an objective event.

Analysis: Sanjay's clause ties revocation to Karan marrying "without Sanjay's approval." This depends on *Sanjay's will* (since he decides whether to approve), which is not a "specified event not depending on the will of the donor." However, Option (B) states the correct legal rule – that revocation is valid when the triggering event does *not* depend on the donor's will. In this factual scenario, the clause would likely be invalid, but the principle in Option (B) is the correct statement of law under Section 126.

Why other options are wrong:

- Option (A): Failure to discharge a moral obligation is not a statutory ground for revocation under Section 126.
- Option (C): Section 126 itself contemplates valid revocation clauses; the gift is not absolutely irrevocable.
- Option (D): There is no three-year unilateral revocation right under Section 126 without a pre-agreed revocation clause.

Final Answer: Under Section 126, a gift may be revoked if the agreed triggering event does not depend on the donor's will. ⇒ $\boxed{\text{B}}$

Answer: (B) Go Back to Q14

Sol. 15.

Solution

Concept — Section 118, Transfer of Property Act, 1882 (Exchange): Section 118 defines exchange as a transaction where two persons mutually transfer the ownership of one thing for the ownership of another, neither thing being money only. The key distinction from a sale is that in a sale the consideration is *money only*, whereas in an exchange the consideration is *property*, though money may additionally form part of the exchange consideration. Mixed consideration (property plus money) is still an exchange.

Analysis: Prabha and Kiran exchanged a house for a car plus Rs. 5,00,000 cash. Since the primary consideration is property (the car) supplemented by money, this is an exchange. Option (C) correctly states that money may be a partial consideration in an exchange without converting it into a sale, and that the distinction from sale lies in the nature of the primary consideration.

Why other options are wrong:

- Option (A): An exchange is not restricted to two immovable properties; it may involve movable property, or a mix of immovable and movable property.
- Option (B): Money can form part of the consideration in an exchange; it does not automatically make the transaction a sale.
- Option (D): Equal market value is not a legal requirement for a valid exchange under Section 118.

Final Answer: Exchange under Section 118 involves mutual transfer of ownership of one thing for another; money may form part but not all of the consideration. $\Rightarrow \boxed{\text{C}}$

Answer: (C) Go Back to Q15

Sol. 16.

Solution

Concept — Section 3, Transfer of Property Act, 1882 (Actionable Claim): The interpretation clause in Section 3 defines an actionable claim as a claim to any debt *other than* a debt secured by mortgage of immovable property or by hypothecation or pledge of movable property, *or* to any beneficial interest in movable property not in the possession (actual or constructive) of the claimant, which the civil courts recognise as affording grounds for relief, whether such debt or beneficial interest is existent, accruing, conditional, or contingent.

Analysis: Shyam's unsecured loan claim against Mohan is a textbook actionable claim. It is a debt not secured by mortgage or pledge, and the civil courts recognise it as giving grounds for relief. Such claims are freely transferable under Sections 130–137 of the TPA. Option (D) reproduces the statutory definition accurately.

Why other options are wrong:

- Option (A): A court decree creates a decree-debt, which is distinct from an actionable claim. An actionable claim need not be adjudicated upon.
- Option (B): Negotiable instruments are specifically excluded from the TPA regime; they are governed by the Negotiable Instruments Act, 1881.
- Option (C): Property capable of physical delivery and transferred by endorsement describes negotiable instruments or documents of title, not the statutory definition of actionable claim.

Final Answer: An actionable claim under Section 3 is an unsecured debt or beneficial interest in movable property not in the claimant's possession. ⇒ $\boxed{D}$

Answer: (D) Go Back to Q16

Sol. 17.

Solution

Concept — Section 52, Transfer of Property Act, 1882 (Doctrine of Lis Pendens): Section 52 provides that during the pendency of a suit or proceeding in a court of competent jurisdiction in which any right to immovable property is in question, the property cannot be transferred or otherwise dealt with by any party to the suit so as to affect the rights of any other party under any decree or order that may be made in the suit. A transferee pendente lite takes subject to the outcome of the suit, regardless of notice.

Analysis: Bharat, despite paying full market value and having no actual notice, takes the property subject to the decree in Priya's favour. The doctrine is not based on notice but on the principle that litigation must be brought to an end without being frustrated by collateral dealings. Option (A) correctly captures this absolute nature of lis pendens.

Why other options are wrong:

- Option (B): Bona fide purchase without notice provides no protection against lis pendens under Section 52. Unlike some other doctrines, Section 52 is notice-independent.
- Option (C): Section 52 applies to all transfers, whether gratuitous or for full consideration; it is not limited to gifts.
- Option (D): The transfer pendente lite is not void ab initio; it is valid between the parties but subordinate to the eventual decree. The transferee acquires title subject to the decree.

Final Answer: Under Section 52, a transfer pendente lite binds the transferee to the court's decree, irrespective of notice or consideration. ⇒ $\boxed{A}$

Answer: (A) Go Back to Q17

Sol. 18.

Solution

Concept — Section 53A, Transfer of Property Act, 1882 (Doctrine of Part Performance): Section 53A protects a transferee who acts on a written contract for transfer of immovable property and takes possession, by barring the transferor from enforcing any right inconsistent with the contract. The conditions are: (i) a written contract to transfer for consideration, signed by the transferor; (ii) the transferee has, in part performance, taken possession or done some act in furtherance of the contract; (iii) the transferee has performed or is ready and willing to perform his part; (iv) the transferor is estopped from denying the contract. This is a *shield*, not a sword – it does not create legal title.

Analysis: Hari satisfies all conditions: written agreement signed by Geeta, he took possession in part performance, he paid advance and cultivated the land. Geeta cannot evict him. Option (B) correctly lists all four conditions.

Why other options are wrong:

- Option (A): Section 53A applies only to *written* contracts. An oral agreement does not attract the doctrine.
- Option (C): Section 53A does not confer legal ownership or a right to sue for specific performance; it only operates as a bar (defence) against the transferor.
- Option (D): Full payment of consideration and agricultural land are not prerequisites under Section 53A.

Final Answer: Section 53A requires a written contract, possession in part performance, and readiness to perform, and bars the transferor from inconsistent claims. $\Rightarrow \boxed{\text{B}}$

Answer: (B) Go Back to Q18

Sol. 19.

Solution

Concept — Section 17, Registration Act, 1908 (Documents Requiring Compulsory Registration): Section 17(1)(b) requires compulsory registration of non-testamentary instruments that purport or operate to create, declare, assign, limit, or extinguish (whether in present or in future) any right, title, or interest, whether vested or contingent, of the value of one hundred rupees and upwards, to or in immovable property. This covers sale deeds, gift deeds, lease deeds (for leases exceeding one year under Section 17(1)(d)), mortgages, and exchanges of immovable property of that value.

Analysis: The second client's sale deed for property worth Rs. 1,50,000 must be compulsorily registered. The first client's 11-month lease, being under one year, is exempt under Section 17(2)(ii) which excludes leases not exceeding one year. Option (C) accurately describes the category under Section 17(1)(b).

Why other options are wrong:

- Option (A): A lease for less than one year with nominal rent is expressly exempt under Section 17(2)(ii); registration is optional, not compulsory.
- Option (B): Wills are not compulsorily registrable; Section 18 makes registration of wills optional, not mandatory.
- Option (D): A power of attorney for managing property is not listed under Section 17(1) as compulsorily registrable. It may optionally be registered under Section 18.

Final Answer: Section 17(1)(b) mandates compulsory registration of non-testamentary instruments creating or affecting rights in immovable property worth Rs. 100 or more. $\Rightarrow \boxed{\text{C}}$

Answer: (C) Go Back to Q19

Sol. 20.

Solution

Concept — Section 48, Transfer of Property Act, 1882 (Priority of Rights Created by Transfer): Section 48 enacts the common law rule of priority: where a person creates rights over the same immovable property by successive transfers, and those rights cannot coexist to their full extent, each later-created right is subject to the rights previously created, in the absence of a special contract or a reservation binding the earlier transferee. This is the *nemo dat quod non habet* principle – a transferor cannot give more than what remains after prior transfers.

Analysis: A first granted B a lease. The lease is a right created in B's favour. When A subsequently mortgages the same land to C, the mortgage is a later-created right. Under Section 48, C's mortgage right is subject to B's pre-existing lease. C cannot evict B; B's right to possession for the remaining lease term is paramount against C. Option (D) accurately states this rule.

Why other options are wrong:

- Option (A): The rule is "first in time, first in right," not the other way around. A later transfer cannot override earlier-created rights over the same property.
- Option (B): There is no equitable discretion rule of equal priority; Section 48 establishes a clear temporal priority rule.
- Option (C): There is no absolute statutory rule giving mortgagees priority over lessees. Priority is determined by the time of creation of the right.

Final Answer: Section 48 gives priority to earlier-created rights; C's mortgage is subject to B's pre-existing lease. $\Rightarrow \boxed{\text{D}}$

Answer: (D) Go Back to Q20

Answer Key

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	A	2	B	3	C	4	D	5	A
6	B	7	C	8	D	9	A	10	B
11	C	12	D	13	A	14	B	15	C
16	D	17	A	18	B	19	C	20	D