CLAT Gurukul — By Ready For Exam

Daily Practice Sheet — 28 May 2026

30 Qs · 45 Min
+1 / −0.25

Daily Practice — Legal Reasoning · Analytical Reasoning · Quantitative Techniques
Darken one bubble per question. Negative marking applies. Answers and detailed explanations are provided in a separate companion sheet.
Free daily practice — clatgurukul.com/daily · Pass this sheet to a friend.

SECTION A — LEGAL REASONING

Q1–12 · 12 Marks

PRINCIPLE A — DOCTRINE OF PRIVITY OF CONTRACT (Q1–6)

The doctrine of privity of contract is the common-law rule that only those who are parties to a contract can sue or be sued upon it. A stranger to the contract, however much he may benefit, cannot enforce it. The classical authority is Tweddle v. Atkinson (1861), where the fathers of a bride and groom agreed in writing that each would pay a sum to the bridegroom; when one father died before paying, the groom's action failed because, although he was the named beneficiary, he had furnished no consideration and was not a party. The House of Lords reaffirmed the rule in Dunlop Pneumatic Tyre Co. v. Selfridge & Co. (1915). Indian law largely follows this rule under the Indian Contract Act, 1872, though Section 2(d) permits consideration to move from the promisee 'or any other person' — a narrow departure from strict English law. Indian courts have nevertheless recognised exceptions: (a) a trust or charge for a third party who may enforce it; (b) marriage settlements, partition or family arrangements in favour of a named beneficiary; (c) acknowledgement or estoppel where a party expressly acknowledges liability to the third person; and (d) an agency relationship where the third party is in fact a principal. Outside these exceptions, the third-party beneficiary remains without remedy.

1. Anil and Bharat enter into a written agreement under which Anil promises Bharat that, in consideration of Bharat selling him land at a discount, Anil will pay ₹10 lakh to Bharat's son Chetan on Chetan's twenty-first birthday. Anil refuses to pay. Chetan sues Anil for the sum. Applying the doctrine of privity:

◯ **A.** Chetan succeeds because he is the named beneficiary and the consideration has fully moved from Bharat.
◯ **B.** Chetan fails because he is a stranger to the contract and falls outside the recognised exceptions to privity.
◯ **C.** Chetan succeeds because Indian law has abolished the doctrine of privity entirely.
◯ **D.** Chetan fails only if Bharat refuses to join him as a co-plaintiff.

2. Which of the following statements about the doctrine of privity of contract is INCORRECT?

◯ **A.** Tweddle v. Atkinson (1861) is the classical authority for the rule that a stranger to a contract cannot sue upon it.
◯ **B.** Under Indian law, Section 2(d) of the Indian Contract Act permits consideration to move from the promisee or any other person.
◯ **C.** A beneficiary under a trust created by a contract may, as an exception, enforce the trust against the trustee.
◯ **D.** Indian law strictly disallows any third-party beneficiary from enforcing any contractual benefit in any circumstance.

3. Pratap settles property in trust for the benefit of his minor daughter Rhea, with Suman as trustee. Suman refuses to pay Rhea the income from the trust property. Rhea sues Suman directly. The action will:

◯ **A.** Fail, because Rhea was not a party to the trust instrument.
◯ **B.** Succeed, because a beneficiary of a trust constitutes a recognised exception to the privity rule and can sue the trustee.
◯ **C.** Fail, because only the settlor can sue a defaulting trustee.
◯ **D.** Succeed only if Pratap formally assigns his rights to Rhea in writing.

4. Which of the following BEST captures the position of consideration under Section 2(d) of the Indian Contract Act in relation to privity?

◯ **A.** Consideration must invariably move from the promisee personally, mirroring strict English law.
◯ **B.** Consideration may move from the promisee or any other person at the desire of the promisor, but the right to sue still vests only in a party to the contract.
◯ **C.** Any third party who provides consideration acquires an automatic right to sue on the contract.
◯ **D.** Consideration is irrelevant if a third party is named as beneficiary in the contract.

5. Two brothers, Mohan and Sohan, execute a family arrangement in writing under which the family house is partitioned, with an obligation on Mohan to pay an annuity to their widowed sister Lata. Mohan defaults. Lata sues Mohan. The action will MOST likely:

◯ **A.** Fail, because Lata is a stranger to the partition deed.
◯ **B.** Succeed, because family arrangements creating a charge in favour of a relative are a recognised exception to the doctrine of privity.
◯ **C.** Fail, because annuities cannot be enforced by a non-party in any case.
◯ **D.** Succeed only if Sohan also sues Mohan jointly with Lata.

6. A manufacturer X sells tyres to wholesaler Y, who in turn sells to retailer Z, on the express stipulation imposed by X that no tyre shall be sold below a fixed minimum price. Z sells below the minimum. X sues Z directly. Which case and principle squarely govern the outcome?

◯ **A.** Donoghue v. Stevenson (1932) — the manufacturer owes a duty of care to the ultimate consumer.
◯ **B.** Dunlop Pneumatic Tyre Co. v. Selfridge & Co. (1915) — privity bars X from suing Z, with whom X has no contract.
◯ **C.** Salomon v. Salomon (1897) — the corporate veil bars the action.
◯ **D.** Carlill v. Carbolic Smoke Ball (1893) — a unilateral offer was accepted by performance.

PRINCIPLE B — DOCTRINE OF INDOOR MANAGEMENT (TURQUAND'S RULE) (Q7–12)

NAME: _____ **ROLL NO:** _____ **BATCH:** _____

The doctrine of indoor management, also called the Turquand rule, is a principle of company law that protects outsiders dealing with a company in good faith from being prejudiced by irregularities in the company's internal proceedings. It is a counterweight to the doctrine of constructive notice, under which outsiders are deemed to know the contents of a company's public documents (memorandum and articles). While outsiders are presumed to know what is in those documents, they are entitled to assume that internal procedures required by those documents have been duly complied with. The leading case is Royal British Bank v. Turquand (1856), where directors borrowed on a bond which the articles permitted only if authorised by a general-meeting resolution. No resolution had been passed, yet the court held the company liable to the bank, since the bank could presume that internal procedure was regular. The doctrine does NOT apply where: (i) the outsider has actual knowledge of the irregularity; (ii) circumstances are suspicious and ought to have put the outsider on inquiry; (iii) the act is forbidden by the memorandum (ultra vires); (iv) the document is a forgery (Ruben v. Great Fingall Consolidated, 1906); or (v) the outsider has not read the articles. The Companies Act, 2013 preserves the doctrine.

7. Greenfield Ltd's articles authorise its directors to borrow up to ₹1 crore from any bank, provided a board resolution is passed at a duly convened meeting. The directors borrow ₹80 lakh from Sunrise Bank, executing all documents in their official capacity. No board meeting was ever convened. Sunrise Bank had inspected the articles but had no actual knowledge of the irregularity. Applying the Turquand rule:

◯ **A.** Greenfield Ltd. can repudiate the loan because the prescribed internal procedure was not followed.
◯ **B.** Sunrise Bank can enforce the loan against Greenfield Ltd. because it was entitled to assume regular completion of internal procedure.
◯ **C.** Sunrise Bank cannot recover, since constructive notice deems it to know that no resolution was passed.
◯ **D.** Sunrise Bank can recover only from the directors personally, not from the company.

8. Which of the following is NOT an established exception to the doctrine of indoor management?

◯ **A.** Actual knowledge of the irregularity on the part of the outsider.
◯ **B.** Forgery of the document relied upon by the outsider.
◯ **C.** Suspicious circumstances which ought to have put the outsider on inquiry.
◯ **D.** The mere fact that the transaction is large in monetary value relative to the company's paid-up capital.

9. The secretary of Pearl Corporation forges the seal of the company and the signatures of two directors on share certificates and transfers them to Dev, who pays full consideration in good faith. Dev sues to compel registration as shareholder. Applying settled law:

◯ **A.** Dev succeeds, since the Turquand rule protects all bona fide outsiders.
◯ **B.** Dev fails, because a forgery is a nullity and the indoor management rule does not extend to forged documents, per Ruben v. Great Fingall Consolidated (1906).
◯ **C.** Dev succeeds, because forgery by a senior officer always binds the company.
◯ **D.** Dev succeeds only if the secretary is prosecuted criminally first.

10. Which of the following BEST captures the relationship between the doctrine of constructive notice and the doctrine of indoor management?

◯ **A.** They are identical doctrines stated in two different ways.
◯ **B.** Constructive notice deems outsiders to know what is in the public documents of the company; indoor management entitles them to assume that internal procedures required by those documents have been complied with.
◯ **C.** Indoor management overrides constructive notice in every transaction.
◯ **D.** Constructive notice applies only to shareholders, while indoor management applies only to creditors.

11. Mr. Khan, the managing director of Solaris Ltd., who is also a personal friend of the lender, borrows ₹50 lakh from the lender, purportedly on behalf of the company, by signing a promissory note in his own name without affixing the company seal or board resolution. The articles require both. The lender is aware that Mr. Khan has, in the past, borrowed in his personal capacity. Applying the doctrine:

◯ **A.** Solaris Ltd. is bound because Mr. Khan is the managing director.
◯ **B.** The lender cannot rely on the indoor management rule because the circumstances were suspicious and ought to have put him on inquiry.
◯ **C.** The lender can recover from the company because the Turquand rule covers all transactions by senior officers.
◯ **D.** The company is bound only to the extent of half the loan amount.

12. Which of the following statements about Royal British Bank v. Turquand (1856) is INCORRECT?

◯ **A.** The case established that outsiders may presume due compliance with internal procedural requirements of a company.
◯ **B.** The case involved a borrowing by directors that required, but lacked, a general-meeting resolution.
◯ **C.** The case held that the bank could enforce the bond against the company despite the procedural lapse.
◯ **D.** The case overruled the doctrine of constructive notice entirely with respect to public documents.

SECTION B — ANALYTICAL REASONING

Q13–20 · 8 Marks

PUZZLE 1 — TIED-SCORE RANKING IN A QUIZ TOURNAMENT (Q13–16)

Six contestants — Pari, Qadir, Riya, Sahil, Tara and Uday — participated in a quiz tournament where points were awarded for correct answers. After all rounds, the total points scored were tabulated and contestants were ranked from highest (rank 1) to lowest (rank 6). The following information is available about the final standings: (1) Riya scored more points than Pari but fewer than Tara. (2) Sahil and Uday scored equal points, and their joint position is immediately above Pari. When two contestants are tied, the tournament rules treat them as occupying the same numerical rank, and the next distinct rank below is incremented by two — so if two contestants tie at rank 3, the next rank is 5, not 4. (3) Qadir scored the highest of all six contestants and there was no tie at the top. (4) Tara is ranked immediately below Qadir with no tie at rank 2. (5) Pari did not finish last. Use these conditions strictly; assume no further ties beyond those expressly stated.

13. Who finished last (i.e., at the lowest rank) in the tournament?

◯ **A.** Pari
◯ **B.** Riya
◯ **C.** Sahil
◯ **D.** Uday

14. What rank do Sahil and Uday jointly hold?

◯ **A.** Rank 2 ◯ **B.** Rank 3
◯ **C.** Rank 4 ◯ **D.** Rank 5

15. How many contestants scored more points than Pari?

◯ **A.** Two ◯ **B.** Three
◯ **C.** Four ◯ **D.** Five

16. If, in a re-evaluation, Sahil is found to have scored one point more than Uday, then who would occupy rank 4 in the revised standings (other rankings unaffected)?

◯ **A.** Sahil ◯ **B.** Uday
◯ **C.** Pari ◯ **D.** Riya

PUZZLE 2 — THREE-CATEGORY SET-MEMBERSHIP AT A CULTURAL FESTIVAL (Q17–20)

At a college cultural festival, exactly 100 students participated across three competitions — Debate (D), Music (M) and Drama (R). Every participating student joined at least one of the three competitions; no student belonged to none. The organising committee released the following figures from the registration data: (1) The number of students who joined Debate was 55. (2) The number who joined Music was 45. (3) The number who joined Drama was 40. (4) The number who joined exactly two of the three competitions was 25. (5) The number who joined all three competitions was 5. Use the inclusion–exclusion principle and the figures above to deduce answers; do not assume any figure not stated. Treat all figures as exact and consistent — the organisers have already cross-checked them.

17. How many students joined exactly one competition?

◯ **A.** 60 ◯ **B.** 65
◯ **C.** 70 ◯ **D.** 75

18. How many students joined Debate only (i.e., neither Music nor Drama)?

◯ **A.** It cannot be determined from the given data.
◯ **B.** 20
◯ **C.** 25
◯ **D.** 30

19. What is the total of (i) the number who joined exactly two competitions and (ii) the number who joined all three?

◯ **A.** 25 ◯ **B.** 30
◯ **C.** 35 ◯ **D.** 40

20. If 10 of the students who joined Debate also joined Drama (but not Music), and 8 of those who joined Music also joined Drama (but not Debate), then how many students joined Debate and Music but not Drama?

◯ **A.** 5 ◯ **B.** 7
◯ **C.** 9 ◯ **D.** 12

SECTION C — QUANTITATIVE TECHNIQUES

Q21–30 · 10 Marks

DATA SET 1 — INDIAN RAILWAYS FREIGHT LOADING BY COMMODITY, FY24 VS FY25 (MILLION TONNES) (Q21–25)

The Indian Railways publishes annual freight loading figures disaggregated by commodity. Freight forms the dominant revenue source for the railways and is closely tracked as an indicator of industrial activity. The table below records the originating loading in million tonnes for the five largest commodity baskets, together with the year-on-year percentage change between FY24 and FY25. The 'Total of Five' row aggregates only these five commodities and does not represent total Indian Railways freight. Use only the figures shown in the table to answer the questions that follow; round to the nearest whole per cent or to one decimal place where indicated.

Commodity	FY24 (mt)	FY25 (mt)	YoY %
Coal	770	832	+8.1%
Iron Ore	180	198	+10.0%
Cement	150	162	+8.0%
Foodgrains	60	57	−5.0%
Steel	70	77	+10.0%
Total of Five	1230	1326	+7.8%

21. What was the share of Coal in the 'Total of Five' loading in FY25 (rounded to the nearest whole per cent)?

◯ **A.** 58% ◯ **B.** 60%
◯ **C.** 63% ◯ **D.** 66%

22. Which commodity, of the five listed, recorded a decline in loading between FY24 and FY25?

◯ **A.** Coal ◯ **B.** Iron Ore
◯ **C.** Cement ◯ **D.** Foodgrains

23. By how many million tonnes did the combined loading of Iron Ore and Steel increase between FY24 and FY25?

◯ **A.** 20 ◯ **B.** 23
◯ **C.** 25 ◯ **D.** 28

24. If Cement loading in FY26 grows by the same percentage as it did between FY24 and FY25, what will the FY26 loading be (rounded to the nearest whole number)?

◯ **A.** 170 mt ◯ **B.** 172 mt
◯ **C.** 175 mt ◯ **D.** 180 mt

25. What was the combined share of Cement and Steel in the 'Total of Five' loading in FY24 (rounded to the nearest whole per cent)?

◯ **A.** 15% ◯ **B.** 18%
◯ **C.** 21% ◯ **D.** 24%

DATA SET 2 — INDIAN UNICORN START-UPS BY SECTOR — NUMBER AND COMBINED VALUATION, 2025 (Q26–30)

A leading industry tracker collated India's privately-held start-ups with valuations of at least US$1 billion ('unicorns') as of December 2025 and grouped them by primary sector of operation. The table below records, for the five most-represented sectors in the Indian unicorn population, both the number of unicorns and their combined post-money valuation in US$ billion, along with the simple average valuation per unicorn computed by dividing combined valuation by number. The 'Five-Sector Total' row aggregates only these five sectors and does not represent the entire Indian unicorn population, which also includes sectors such as health-tech, gaming and direct-to-consumer brands. Treat all figures as exact for the purposes of computation. Use only the numbers shown in the table; do not import outside knowledge of any specific company name.

Sector	Unicorns (#)	Combined Valuation ($ bn)	Avg Valuation ($ bn)
Fintech	25	100	4.0
E-commerce	20	120	6.0
SaaS / Enterprise	18	54	3.0
EdTech	12	60	5.0
Logistics	10	30	3.0
Five-Sector Total	85	364	4.28

26. What is the share of E-commerce in the combined valuation of the five sectors (rounded to the nearest whole per cent)?

◯ **A.** 30% ◯ **B.** 33%
◯ **C.** 36% ◯ **D.** 40%

27. Which sector has the highest average valuation per unicorn?

◯ **A.** Fintech ◯ **B.** E-commerce
◯ **C.** EdTech ◯ **D.** SaaS / Enterprise

28. By how many US$ billion does the combined valuation of Fintech exceed that of SaaS/Enterprise?

◯ **A.** 30 ◯ **B.** 36
◯ **C.** 40 ◯ **D.** 46

29. If five new unicorns are added to Logistics, each valued at $2 billion, what will be the revised average valuation per unicorn in Logistics (rounded to one decimal place)?

◯ **A.** $2.5 bn ◯ **B.** $2.7 bn
◯ **C.** $3.0 bn ◯ **D.** $3.3 bn

30. What is the share of EdTech in the total NUMBER of unicorns across the five sectors (rounded to the nearest whole per cent)?

◯ **A.** 11% ◯ **B.** 14%
◯ **C.** 16% ◯ **D.** 19%

SECTION D — RAPID-FIRE MIXED REASONING & GK

Q31–38 · 8 Marks

Standalone questions covering blood relations, direction sense, syllogism, coding-decoding, simple arithmetic and basic GK. No passage required.

31. If A is the brother of B, B is the sister of C, and C is the father of D, then how is A related to D?

◯ **A.** Father ◯ **B.** Uncle
◯ **C.** Brother ◯ **D.** Grandfather

32. A man walks 4 km north, then turns right and walks 3 km, then turns right again and walks 4 km. How far and in which direction is he from his starting point?

◯ **A.** 3 km west ◯ **B.** 3 km east
◯ **C.** 5 km north-east ◯ **D.** 7 km south

33. Statements: All teachers are scholars. Some scholars are poets. Conclusions: (I) Some teachers are poets. (II) Some poets are scholars. Which conclusion follows?

◯ **A.** Only I follows
◯ **B.** Only II follows
◯ **C.** Both I and II follow
◯ **D.** Neither I nor II follows

34. In a certain code, 'PAPER' is written as 'QBQFS'. How will 'PENCIL' be written in the same code?

◯ **A.** QFODJM ◯ **B.** OFMBHK
◯ **C.** QFOCJM ◯ **D.** QFODJL

35. Find the next term in the series: 3, 6, 11, 18, 27, ?

◯ **A.** 36 ◯ **B.** 38
◯ **C.** 40 ◯ **D.** 42

36. A shopkeeper marks an article at 40% above cost and then offers a discount of 25% on the marked price. His net profit or loss per cent is:

◯ **A.** 5% profit ◯ **B.** 10% profit
◯ **C.** 5% loss ◯ **D.** No profit no loss

37. Which Article of the Constitution of India guarantees the protection of life and personal liberty?

◯ **A.** Article 14 ◯ **B.** Article 19
◯ **C.** Article 21 ◯ **D.** Article 32

38. Pointing to a photograph, Meera said, 'He is the only son of my mother's only son.' How is the boy in the photograph related to Meera?

◯ **A.** Brother ◯ **B.** Son
◯ **C.** Nephew ◯ **D.** Cousin