CG CLAT Gurukul By Ready For Exam

Daily Practice Sheet — 9 November 2026

26 Qs · 40 Min
+1 / −0.25

Daily Practice — Legal Reasoning · Logical Reasoning · Quantitative Techniques
Every question is passage-based, CLAT-2026 grade. Darken one bubble. Negative marking applies. Full solutions with examiner notes are in the companion answer sheet.
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SECTION — LEGAL REASONING

LEGAL PRINCIPLE — COMPANY LAW · SEPARATE PERSONALITY, THE CORPORATE VEIL, ULTRA VIRES, INDOOR MANAGEMENT AND DIRECTORS' DUTIES (Q1–Q5)

A company registered under the Companies Act, 2013 is a legal person distinct from its members. In Salomon v. Salomon & Co. Ltd (1897), the House of Lords held that a validly incorporated company is not the agent or trustee of its shareholders, even where one person holds almost all the shares; its debts are its own, and a member is liable only to the extent of any amount unpaid on his shares. Courts will, however, lift the corporate veil where the company is a mere sham or facade used to commit fraud or to evade an existing legal obligation. In Gilford Motor Co. v. Horne (1933), a former employee bound by a covenant not to solicit his old employer's customers formed a company to do exactly that, and the court restrained both him and the company. The memorandum of association states the company's objects. Under the doctrine of ultra vires, settled in Ashbury Railway Carriage and Iron Co. v. Riche (1875), a contract outside the objects in the memorandum is void and cannot be ratified even by the unanimous consent of the shareholders. Every person dealing with a company is deemed to know the contents of its public memorandum and articles (constructive notice). But under the rule of indoor management, laid down in Royal British Bank v. Turquand (1856), an outsider dealing in good faith may assume that internal procedures required by those documents, such as a shareholders' resolution or a quorum at a board meeting, have been duly complied with. The protection is lost by an outsider who knew of the irregularity or who was put on inquiry by suspicious circumstances. Section 166 requires a director to act in good faith to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders, the community and the environment, and forbids a director to achieve or attempt to achieve any undue gain or advantage for himself or his relatives.

1. Ravi holds 9,998 of the 10,000 fully paid shares of Ravi Textiles Pvt Ltd and is its managing director. The company, which has always traded honestly, owes Rs 40 lakh to a yarn supplier and has become insolvent. The supplier sues Ravi personally for the debt. Decide.

- ◯ **A.** Ravi is liable, because holding almost every share makes the company his agent for all of its trading debts
- ◯ **B.** Ravi is liable up to the face value of his shares, because as managing director he controls the whole board
- ◯ **C.** Ravi is not liable, because the debt is the company's own, his shares are fully paid and no fraud is shown
- ◯ **D.** Ravi is not liable, because a supplier may never sue anyone other than the company itself for a trading debt

2. Meena, sales head of Alpha Ltd, was bound by a covenant, which both sides accept is valid, not to solicit Alpha's customers for two years after leaving. A week after resigning she formed Meena Solutions Pvt Ltd, made her husband its sole director, and the company at once wrote to Alpha's customers offering lower prices. Alpha seeks an injunction. Decide.

- ◯ **A.** The court may restrain both Meena and the company, since the company is a device formed to evade her covenant
- ◯ **B.** The court cannot restrain the company, since it is a separate person that never signed any covenant with Alpha Ltd
- ◯ **C.** The court may restrain only Meena, since the veil of a company may be lifted only where a statute expressly allows it
- ◯ **D.** The court cannot restrain anyone, since writing to customers through a company is a lawful exercise of trade freedom

3. Kaveri Ltd's memorandum lists borrowing for its business among its objects; its articles let directors borrow above Rs 5 crore only after a shareholders' resolution. Without one, the directors borrowed Rs 8 crore from Sunrise Bank, which knew nothing of the omission and saw nothing suspicious. Kaveri refuses to repay. Decide.

- ◯ **A.** The bank cannot recover, because constructive notice of the articles fixes it with knowledge that the loan was irregular
- ◯ **B.** The bank cannot recover, because borrowing above the limit without a resolution makes the loan ultra vires and void
- ◯ **C.** The bank can recover only if it had inspected the minutes of Kaveri's general meetings before releasing the loan
- ◯ **D.** The bank can recover, because it was entitled to assume that the resolution required by the articles had been passed

4. Vardhan Pharma Ltd's memorandum confines its objects to making and selling medicines. At a duly convened board meeting with a full quorum, it contracted with Prakash Builders, who acted in good faith, to build and run a hotel. All shareholders later approved the contract in general meeting. Vardhan now refuses to perform. Is the contract enforceable?

- ◯ **A.** Yes, because Prakash Builders acted in good faith and the rule of indoor management protects outsiders such as it
- ◯ **B.** No, because the contract lies outside the objects in the memorandum, and even unanimous approval cannot cure it
- ◯ **C.** Yes, because every shareholder ratified the contract at a general meeting held after the contract had been signed
- ◯ **D.** No, because the board meeting that approved the contract lacked the quorum that the company's articles required

5. At a board meeting of Nilgiri Tea Ltd, director Arjun learnt that the company planned to buy a plot next to its factory. Before the plan became public, his brother bought the plot for Rs 2 crore and, two months later, sold it to the company at its then market price of Rs 2.6 crore. Has Arjun breached section 166?

- ◯ **A.** Yes, because he used the board's plan to win a gain for his brother, which section 166 forbids at any price
- ◯ **B.** No, because the company paid only the market price for the plot and so suffered no loss at all from it
- ◯ **C.** No, because the gain went to his brother, who is a separate person and was never a director of Nilgiri Tea Ltd
- ◯ **D.** Yes, but only because no director may ever sell or arrange a sale of property to his own company

LEGAL PRINCIPLE — CONSTITUTIONAL LAW · 'THE STATE' UNDER ARTICLE 12, EQUALITY UNDER ARTICLE 14 AND PERSONAL LIBERTY UNDER ARTICLE 21 (Q6–Q9)

Part III of the Constitution guarantees fundamental rights chiefly against 'the State', which Article 12 defines to in
Government and Parliament of India, the Government and Legislature of each State, and all local or other authorities v

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territory of India or under the control of the Government of India. In Ajay Hasia v. Khalid Mujib (1981), the Supreme Court held that a society or a corporation is an 'other authority' if it is an instrumentality or agency of the government, judged by tests such as whether the government holds its entire share capital, meets almost all its expenditure, exercises deep and pervasive control over it, and whether its functions are of public importance and closely related to governmental functions. A purely private body does not become 'the State' merely because it is registered or regulated under a statute or performs a useful service. Article 14 forbids the State to deny any person equality before the law or the equal protection of the laws. It does not forbid classification: a law may treat groups differently if the classification rests on an intelligible differentia that distinguishes those grouped together from those left out, and if that differentia has a rational nexus with the object the law seeks to achieve. Since E.P. Royappa v. State of Tamil Nadu (1974), the Court has also held that arbitrariness is the antithesis of equality, so arbitrary State action violates Article 14 even where no classification is involved. Article 21 provides that no person shall be deprived of his life or personal liberty except according to procedure established by law. In Maneka Gandhi v. Union of India (1978), the Court held that such procedure must be just, fair and reasonable, not fanciful, oppressive or arbitrary, and that the principles of natural justice, including a fair hearing, are ordinarily part of it. A person whose fundamental right is violated may move the Supreme Court under Article 32 or a High Court under Article 226; the High Court's writ power extends also to other legal rights.

6. Greenfield Residents' Welfare Association is a society registered under a state statute, run entirely on residents' fees under its own bye-laws, with no government funding or control. It barred tenants from voting at its elections. A tenant filed an Article 32 petition alleging a violation of Article 14. Is the petition maintainable?

- ◯ **A.** Yes, because the association is registered under a statute and is therefore an 'other authority' under Article 12
- ◯ **B.** No, not as a fundamental-rights claim, because the association is a purely private body and is not 'the State'
- ◯ **C.** Yes, because the association performs a useful service for residents and is regulated by a statute of the state
- ◯ **D.** No, because Article 32 petitions may be filed only against the Union and State governments and no one else at all

7. Rashtriya Beej Nigam Ltd is a company whose entire share capital is held by the Union government, which appoints and removes all its directors and funds 90% of its budget; it distributes certified seed to farmers under a national food-security scheme. It dismissed a clerk by an order giving no reason at all. Can the clerk invoke Article 14?

- ◯ **A.** No, because a company incorporated under the Companies Act is a legal person distinct from its shareholders
- ◯ **B.** No, because the dismissal of an employee is a matter of contract, which no fundamental right can ever reach
- ◯ **C.** Yes, but only because seed distribution is regulated by law, which on its own makes every such body the State
- ◯ **D.** Yes, because government ownership, funding and control and its public function make it an instrumentality

8. To widen access to engineering education for students from poor families, a state law grants a 50% fee concession in state-run engineering colleges to every student whose parent is a state government employee, whatever the family's income. A student from a poor family, whose parent is a farm labourer, challenges it. Decide.

- ◯ **A.** Invalid, because parents' employment by the state, though a clear basis, has no rational nexus with helping poor families
- ◯ **B.** Valid, because state employees form a clearly identifiable group, and any intelligible differentia satisfies Article 14
- ◯ **C.** Invalid, because Article 14 forbids the State ever to charge different groups of students different fees in its colleges
- ◯ **D.** Valid, because a fee concession confers a benefit, and Article 14 applies only when the State imposes a burden on persons

9. A state Act lets a district magistrate confine any person in a 'reform home' for up to six months on a police report, with no notice, no hearing and no review at any stage. Rafiq is so confined, every step of the Act being followed. Which statement best describes his position?

- ◯ **A.** He may move only the High Court under Article 226, because a State law cannot be tested in the Supreme Court
- ◯ **B.** He may move the Supreme Court under Article 32, but must fail, because his confinement follows a procedure enacted by law
- ◯ **C.** He may move the Supreme Court under Article 32, and may succeed, because a procedure denying all hearing is not fair
- ◯ **D.** He may move either court, but only to obtain a hearing, because no court can ever set aside a confinement order itself

SECTION — LOGICAL REASONING

LOGICAL REASONING — ASSUMPTION · COMPULSORY E-FILING OF CIVIL SUITS IN THE DISTRICT COURTS (Q10–Q13)

From next April, the High Court has directed that every civil suit in the state's district courts must be filed electronically; paper filings will no longer be accepted. The registrar predicts that the average time between filing a suit and its first hearing will fall from 41 days to under 15. Most of that delay, she explains, is now spent by clerks who manually check each paper file for defects, stamp it and enter it in the case register, whereas the e-filing system performs these checks automatically at the moment of submission. She adds that litigants will not be disadvantaged by the change, since every district court complex will have a help-desk where staff will upload documents for anyone who cannot do so personally.

10. The registrar's prediction that first hearings will come within 15 days depends on which of the following assumptions?

- ◯ **A.** Most litigants in the district courts already own a computer or a smartphone with a reliable internet connection
- ◯ **B.** Electronic filing has cut delays in the courts of every other state that has introduced it in recent years
- ◯ **C.** Clerks who now check paper files will be retrained to handle other kinds of work in the registry after April
- ◯ **D.** No other stage, such as listing cases before judges, will hold up first hearings once clerical delay ends

11. The registrar's claim that litigants will not be disadvantaged assumes which of the following?

- ◯ **A.** Litigants who use the help-desk will in time learn to file their own documents electronically without any help
- ◯ **B.** Help-desk staff will be able to upload documents for all who need help without long queues or added delay
- ◯ **C.** Most litigants prefer to file their suits through advocates rather than to visit the court complex in person
- ◯ **D.** The e-filing software will be offered in English as well as in the official language of the state concerned

12. The registrar's explanation of why the delay will fall rests most directly on which of the following?

- ◯ **A.** The state will appoint additional district judges in the same year in which compulsory e-filing begins
- ◯ **B.** Advocates practising in the district courts will welcome the change and will not challenge the direction

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◯ **C.** Filings the software accepts will not later need the manual scrutiny clerks now give to paper files
◯ **D.** Judges in the district courts will be trained to read case files on a screen rather than on printed paper

13. A critic notes that many paper filings are now delayed because court fees must be paid in stamp paper bought from licensed vendors. The registrar's prediction survives this point only if which of the following is assumed?

◯ **A.** Court fees under the new system can be paid online at the moment of filing, so buying stamp paper causes no delay
◯ **B.** Stamp vendors near the district courts will be allowed to go on selling stamp paper for other kinds of documents
◯ **C.** Court fees for civil suits will be reduced once paper filing ends, so that litigants pay less than they pay now
◯ **D.** Stamp paper is now sold at fewer outlets than in earlier years, which makes it harder for litigants to obtain

LOGICAL REASONING — FLAW · SPEED CAMERAS AT FORTY JUNCTIONS AND A CITY-WIDE PROMISE (Q14–Q17)

The transport commissioner of a large city has announced that its new speed cameras have made the roads safer. In the twelve months after cameras were installed at 40 junctions, accidents at those junctions fell by 30 per cent, while accidents across the city as a whole fell by only 5 per cent. The 40 junctions had been chosen because they recorded the highest number of accidents in the year before installation. The commissioner added that 9 out of 10 motorists questioned at petrol pumps beside these junctions said they now drive more carefully, which, he says, proves that the cameras have changed how the whole city drives. He has proposed spending Rs 60 crore on cameras at 400 more junctions, which, he says, will cut the city's accidents by 30 per cent.

14. Which of the following identifies a flaw in the commissioner's claim that the cameras made the 40 junctions safer?

◯ **A.** It ignores that drivers may have avoided the camera junctions, so accidents moved elsewhere instead of falling
◯ **B.** It assumes that every motorist passing through the 40 junctions drives a car rather than a two-wheeler or a bus
◯ **C.** It relies on accident figures compiled by the traffic police rather than by an independent body of road experts
◯ **D.** It treats a 30 per cent fall at the 40 junctions as larger than a 5 per cent fall across the city

15. Which of the following best describes the flaw in the commissioner's use of the petrol-pump survey?

◯ **A.** It assumes that motorists who drive carefully are less likely to be in accidents than motorists who do not
◯ **B.** It ignores that petrol pumps beside the junctions may charge different prices from pumps elsewhere in the city
◯ **C.** It generalises from what motorists beside camera junctions say about their own driving to drivers city-wide
◯ **D.** It fails to state how many of the motorists surveyed at the petrol pumps were questioned in the morning hours

16. The commissioner's forecast for the 400 additional junctions is flawed chiefly because it:

◯ **A.** assumes the city can raise Rs 60 crore for the cameras without cutting its spending on other road-safety work
◯ **B.** projects a fall seen at the worst junctions onto junctions with fewer accidents, and onto the city-wide total
◯ **C.** overlooks that cameras at many more junctions could make motorists anxious and so more prone to sudden braking
◯ **D.** assumes that the price of each camera will stay the same when 400 more junctions are equipped with cameras

17. Which of the following arguments contains a flaw most similar to the commissioner's in treating the 30 per cent fall at the chosen junctions as proof?

◯ **A.** A coach says a new diet works because the players who followed it all season were also the fittest in the squad
◯ **B.** Most readers of a cycling magazine favour cycle lanes, so most residents of the city must favour them as well
◯ **C.** A shop raised its prices and its sales fell, so its owner concludes that customers in general dislike higher prices
◯ **D.** Pupils given extra classes after the lowest marks in one test scored higher in the next, so the classes worked

SECTION — QUANTITATIVE TECHNIQUES

QUANT — SPORTS & TOURNAMENTS · RATIO & PROPORTION · POINTS, PRIZE MONEY AND WIN-LOSS RATIOS IN THE INTER-UNIVERSITY KABADDI LEAGUE (Q18–Q22)

Six university teams, the Panthers, Tuskers, Falcons, Rhinos, Eagles and Cobras, played this season's Inter-University Kabaddi League. Each team played every other team twice, once at home and once away, so each team played 10 matches. A win earned 3 points, a tie 1 point and a loss 0 points. The final table is given below. The league's prize pool of Rs 9,00,000 is shared among the top three teams in the ratio of their points. A team's win-to-loss ratio compares its number of wins with its number of losses; ties are left out of that ratio.

Team	Played	Won	Tied	Lost	Points
Panthers	10	7	1	2	22
Tuskers	10	6	2	2	20
Falcons	10	5	3	2	18
Rhinos	10	4	2	4	14
Eagles	10	2	2	6	8
Cobras	10	0	2	8	2

18. How much prize money do the Tuskers receive this season?

◯ **A.** Rs 3,30,000
◯ **B.** Rs 3,00,000
◯ **C.** Rs 2,70,000
◯ **D.** About Rs 2,14,286

19. How many teams have a win-to-loss ratio of at least 5 : 2?

◯ **A.** Two teams
◯ **B.** Four teams
◯ **C.** Only one team
◯ **D.** Three teams

20. Had a win been worth 2 points instead of 3, with a tie still worth 1, what would the ratio of the Panthers' points to the Rhinos' points have been?

◯ **A.** 3 : 2
◯ **B.** 11 : 7
◯ **C.** 7 : 4
◯ **D.** 5 : 3

21. Next season the format is unchanged. The Rhinos aim to tie exactly 2 matches and finish with a win-

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ratio of 3 : 1. How many points would they then score?

◯ **A.** 18 points
◯ **B.** 22 points
◯ **C.** 20 points
◯ **D.** 14 points

22. Next season the Rs 9,00,000 pool will be split so that the champion's share to the third team's share is 3 : 2, with the runner-up getting the average of those two shares. How much more will a champion get than this season's champion?

◯ **A.** Rs 60,000
◯ **B.** Rs 30,000
◯ **C.** Rs 20,000
◯ **D.** Rs 1,20,000

QUANT — ENVIRONMENT & CLIMATE · AVERAGES · MONSOON RAINFALL AT FIVE WEATHER STATIONS (Q23–Q26)

During one monsoon season, from June to September, a regional climate cell recorded the monthly rainfall, in millimetres (mm), at five weather stations. The table gives the readings. A station's season total is the sum of its four monthly readings. The five-station average for a month is the simple average of the five stations' readings for that month. For its drought-planning index, the cell also uses a weighted average of the five season totals, with weights fixed by the cell: Ratnagiri 3, Pune 1, Nashik 2, Kolhapur 2 and Satara 2.

Station	June	July	August	September
Ratnagiri	820	1,140	760	380
Pune	160	240	180	140
Nashik	150	290	230	170
Kolhapur	300	580	420	220
Satara	190	330	260	180

23. By how many mm does the five-station average for July exceed the average of all twenty monthly readings in the table?

◯ **A.** 146 mm
◯ **B.** 192 mm
◯ **C.** 298 mm
◯ **D.** 159 mm

24. It is later found that Kolhapur's August reading was entered wrongly. Once it is corrected, the five-station average for August rises by 18 mm. What is Kolhapur's correct August reading?

◯ **A.** 510 mm
◯ **B.** 438 mm
◯ **C.** 492 mm
◯ **D.** 600 mm

25. What is the value of the cell's weighted average of the five season totals?

◯ **A.** 1,428 mm
◯ **B.** 16,660 mm
◯ **C.** 1,666 mm
◯ **D.** 3,332 mm

26. A sixth station, Sangli, is added. The simple average of the six stations' season totals is then 1,300 mm. What is Sangli's season total?

◯ **A.** 600 mm
◯ **B.** 660 mm
◯ **C.** 728 mm
◯ **D.** 1,172 mm

RAPID FIRE — ONE-LINE RECALL

29 quick questions · not negatively marked

1. Which 1897 House of Lords case established a company's separate legal personality?
2. Is a validly incorporated company the agent of its majority shareholder?
3. How far is a member liable for the company's debts?
4. When will courts lift the corporate veil?
5. Which 1933 case restrained an ex-employee's company formed to breach a covenant?
6. Which document states a company's objects?
7. Which 1875 case settled the doctrine of ultra vires?
8. Can shareholders unanimously ratify an ultra vires contract?
9. What is constructive notice?
10. Which 1856 case laid down the rule of indoor management?
11. What may an outsider assume under the indoor management rule?
12. Name the three exceptions to indoor management protection.
13. Which section of the Companies Act, 2013 sets out directors' duties?
14. For whose benefit must a director promote the company's objects under s.166?
15. What gain does s.166 forbid a director to make?
16. Does indoor management protect an outsider from a contract beyond the objects?
17. Which Article defines 'the State' for Part III?
18. Which 1981 case set the instrumentality test under Article 12?
19. Name two Ajay Hasia tests for 'other authority'.
20. Does statutory registration alone make a private body 'the State'?
21. What two conditions must a classification meet under Article 14?
22. Which 1974 case held arbitrariness is the antithesis of equality?
23. Can arbitrary State action violate Article 14 without any classification?
24. What does Article 21 protect?
25. Which 1978 case required procedure to be just, fair and reasonable?
26. Is a fair hearing ordinarily part of Article 21 procedure after Maneka?
27. Under which Article does one move the Supreme Court for a fundamental right?
28. Under which Article does one move a High Court for writs?
29. Can a High Court's writ power enforce rights other than fun[illegible] rights?

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