

Subject : Business and Labor law

Assignment: Midterm

Submit to: Ma'am Beenish Shujah

Submitted by : Farhad Khan

I'd (13673)

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Q1) What is Contract and what are the essentials of Contract?

Ans:

A "Contract" is an agreement between 2 or more parties to participate in private actions or not to participate in private actions.

The essential components are:

- 1) Offer:
a clear manifestation of the intention to induce another to enter into an Agreement.
- 2) Acceptance:
a clear manifestation of the intention or execution of the action that indicates the agreement with the terms of an offer.
- 3) Consideration:
a negotiation for the exchange of rights that constitutes a benefit for one party or a prejudice for the other.
- 4) Capacity:
the parties must have legal clarity of mind and the right to enter into the contract.
- 5) Contracts will be enforced unless they contravene public policy, embrace criminal behavior, or other illegal purposes.

Q2) Define Valid Contract and its essentials?

Ans :

VALID CONTRACT : An agreement which is enforceable by law, written or expressed contract between two parties to deliver a product or services.

The basic elements of a valid contract:

1. Offer and acceptance
2. Legal relationship
3. Legal consideration
4. Capacity of the parties
5. Free consent

6. Legal object

7. Writing and registration

8. Certainty

9. Possibility of performance

10. No A law that clearly declares invalidation and meets basic conditions will enforce an agreement in accordance with the law. These conditions can be called the basic elements of a valid contract.

These conditions are as follows

1) Offer and Acceptance:

For the agreement, there must be a legal offer made by one party and legal acceptance by the other party. The legal term means that the offer and acceptance must meet the requirements of contract law. The proposal must establish a legal relationship, otherwise an agreement will not be reached.

Example: A tells B that he will sell him his bike for Rs 2000. This is a quote. If B accepts this proposal, he accepts it.

2). Legal relationship:

The parties to the agreement must establish a legal relationship. When the party knows if someone appears due to a breach of contract. Social or family agreements will not establish legal relationships and, therefore, will not give rise to contracts. The trade agreement assumes that the parties intend to establish a legal relationship.

Example:

1) A father promised to pay his son Rs.500 a month as pocket money. Later, he refused to pay. The son cannot recover because it is a social agreement and will not establish a legal relationship.

2.)A proposes to sell the watch to B for Rs 200. B agrees to buy the watch at the same price, which is a contract because it establishes a legal relationship between them.

3) Legal Consideration:

The third element of a valid contract is consideration. The consideration is "return". This can be good for the party. Consideration has been defined as the price paid by one party to promise the other party. The agreement can only be executed when both parties get something and give something. What is given or obtained is the promised price, called consideration.

Example:

1. A agrees to sell his house to B for 10 rupees. This is the consideration of A's promise to sell the house, and A's promise to sell the house is B's promise to pay 10 rupees. These are legitimate considerations.

2. A promises to get a public service position from B, and B promises to pay A 10,000 rupees to A. The deal is invalid because the consideration is illegal.

3) **Capacity of the parties:**

The agreement can only be executed after the parties who have the ability to contract conclude an agreement. This means that the parity of the agreement must have the ability to sign. According to Article 11, to be eligible to sign a contract, the parties must be of legal age and have a sensible mindset, and must not be disqualified from signing the contract because of any laws they obey. The contract of a mentally weak person is invalid from the beginning. If one of the parties to the agreement suffers from minorities, insanity, drunkenness, etc., the agreement is not required by law except in certain circumstances.

Example:

1. M, a person with a lack of security, reached an agreement with S to sell his house for 2 rupees. This is not a valid contract because M has no contractual capacity. 2. 20-year-old A promises to sell his car to B for 3 rupees. This is a valid contract because A has contractual capabilities.

5). **Free consent:**

This is another basic element of a valid contract. Consent means that both parties must agree on the same meaning. For a valid contract, the consent of both parties must be obtained free of charge.

Example:

1. A forces B to enter into a contract with the pistol. Since B 's consent is not free, it is not a valid contract.

6) **Legal objects:**

an agreement must also be reached on the legal objects. The object of the agreement will not be fraudulent, illegal, immoral or in violation of public policies, nor will it indicate damage to the property or property of others. Any agreement whose purpose or consideration is illegal is illegal and, therefore, invalid.

Example:

if B beats C, he promises to pay B 5,000 rupees. The agreement is illegal because its purpose is illegal.

7) **Writing and registration:**

according to the contractual law, the contract can be oral or written. Although in practice the contract must be in writing, it is always beneficial for the parties to demonstrate expediency in court. However, if the oral contract is proven in court, it will not be considered invalid only in writing. To guarantee the validity of the contact, it must be signed and certified by a witness in writing and registered as required by law.

Example:

1. Verbally he promised to sell his books for Rs 200, which is a valid contract because the law does not require it to be in writing.

2. Orally agree to sell your home to B, which is not a valid contract, because the law requires that the real estate contract must be in writing.

8) . Certainty:

According to Article 29 of the Contract Law, "Agreement with unclear meaning or unguaranteable is invalid". In order to reach an effective contract, the terms of the agreement must not be ambiguous or uncertain. For a valid contract, the terms and conditions of the agreement must be clear.

Example:

1. A promises to sell 20 books to B. It is unclear which books A promised to sell. The agreement is invalid because the terms are not clear.

2. A agrees to sell 100 tons of oil to B. It is unclear the type of oil. Due to uncertainty, the agreement is invalid.

3. Or agree to buy the S truck by hire purchase. This price has to be paid for two years. Some people celebrate that there is no contract because the terms are uncertain about the interest rate and payment method.

9. Possibility of performance:

A valid contract must be able to comply with Article 56 of the established contract. "It is invalid to reach an agreement that is impossible in itself." If the act is legally or physically unenforceable, the agreement cannot be enforced by law.

Example:

1. A agrees that B discovers treasure through magic, this agreement does not apply.

2. A agrees to B to resurrect B's dead brother, the agreement is invalid because it cannot be performed.

10) Not explicitly declared invalid:

The agreement cannot be one of the agreements that the invoice explicitly declares invalid. Sections 24-30 explain certain types of agreements that have been explicitly declared invalid. The agreement to restrict trade and the agreement through staking have been declared invalid. Example: the promise offset by the promise that B promised to pay 2 lac rupees is an invalid agreement because it restricts the trade.

Q3) According to the Contract Law what is offer and acceptance and how can we revoke offer?

Ans:

Offer:

A presenting of something for acceptance or the act of giving someone the opportunity to accept something. When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a proposal.

1. The offer can be express or implicit and the offeror can make an offer through words or even actions. An offer made through text, regardless of whether the text is written or oral (oral contract), is called an express contract. Furthermore, when an offer is made through the shares and the offer of the offeror, it is an implicit contract.

2. The offer must establish a legal relationship The offer is made to establish a legal relationship, otherwise no agreement will be reached. It should be in writing.

3. It must be clear. The offer must be clear. If the terms of the offer are uncertain and unclear, it cannot be called a valid offer.

4. The appointment is different from the invitation. You must make it clear, not the invitation.

5. The offer can be specific or general: when an offer is made to a person or group of people, and one or more people can accept the offer, this is called a specific offer. A general offer is an offer generally made to the public. Both are valid.

6. May be subject to any term or condition.

An offeror may attach any terms and condition to the offer he makes. He may even prescribe the mode of acceptance. It should be clear that what should be the terms and conditions.

7. Offer cannot contain a Negative Condition

The non-compliance of any terms of the offer cannot lead to automatic acceptance of the offer. Hence it cannot say that if acceptance is not communicated by a certain time it will be considered a

ffers to sell his cow to B for 5000/-. If the offer is not rejected by Monday it will be considered as accepted. This is not a valid offer.

Acceptance

When the person to whom the proposal is made signifies has assent thereto, the proposal is said to be accepted. A proposal, when accepted, becomes a promise.

1. Must be given by offer. A valid acceptance must be given only by the person who provided the offer. In other words, acceptance must come from the recipient, and no one else.

2. Acceptance must be absolute and unconditional. Only in the case of absolutely unconditional acceptance will a valid contract be produced. This means that acceptance must be all (that is, all the terms of the offer) and there are no conditions.
3. Acceptance must be carried out in a prescribed manner: the legal rules of acceptance must be accepted in a prescribed manner. If the offer is not accepted in the prescribed manner, the offeror may refuse to accept it within a reasonable time.
4. Acceptance can be expressed or implied: acceptance in writing or oral expression is called explicit acceptance.
5. Must be managed within a reasonable time. Sometimes, acceptance must be given within the prescribed time limit. In this case, the acceptance must be within a fixed period. If no time is specified, it must be accepted within a reasonable time. The term "reasonable time" depends on the facts and circumstances of each situation.

Revocation and Termination of Offer (How to legally stop or reject the offer)

It refers to the cancelling or annulment of something by some authority. When Revocation happens, a privilege, title, or status is removed from someone.

1. Revocation notification The offeror may revoke his offer at any time by sending a revocation notification to the offeror before accepting it. The offeror may reject the offer before accepting it. Someone
- 2: By lapse of time When the offer indicates that it is still open before a certain date, if the offer is not accepted before that date, the offer ends on that date. The notification time must be completed.
3. Failure to fulfill the condition
If the offeror does not comply with the conditions established therein, the offer is canceled. If the offer contains certain conditions, and the offeror has assumed the responsibility to comply with these conditions, and if the offeror does not comply with these conditions, the offer will end.
4. Revocation of offer by offeree
the offer If the recipient rejects the offer and communicates the notification of rejection to the offeror, the offer will be terminated, even if the period during which the offer was opened may not have expired. The rejection can be made orally or in writing or implicitly. You must stop the business for legitimate reasons.

5. Death or Insanity of the offeror or offeree

If the bidder dies or gets angry before acceptance, as long as the fact of the offer's death or insanity is known before the acceptor accepts, the offer is terminated. If the person accepting the advice dies before accepting the advice, the advice will be terminated. However, if he dies after the proposal is accepted, his legal representative will be responsible for the contract.

6. If the subsequent illegal

act becomes illegal due to a change in law, the offer can also be terminated before it can be accepted by the recipient. At first it was legal, but then illegal changes occurred, so you can cancel the contract.

Revocation and termination acceptance

Acceptance can usually be revoked. The recipient can cancel the acceptance through a faster communication mode, and the recipient itself will arrive early. Cancelled communication must arrive before accepting itself.

Both revocation and termination are essential:

the revocation accepted can also be in oral or written form. The acceptance must be withdrawn before accepting the bidder.

Termination Acceptance Letter. This kind of letter is written to reply to a received termination letter from a company regarding a job or any contact or any other matter. The letter is sent to notify the company beforehand about the end up of the agreement.