Mid Term Assignment

Business and Labor Law

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Answers

Question no 1:

Answer no1: A contract is an agreement between the two parties or between companies. An agreement, which is bound of law, is called contract. It is legally enforceable because it consist of all the legal regulations and law.

There are different types of contracts, which are divided into three main groups:

1. According to enforceability
2. According to formation
3. According to performance

These 3 groups are subdivided to some types;

According to enforceability, there are five kinds of contract:

1. Valid contract
2. Voidable contract
3. Void contract
4. Unenforceable contract
5. Illegal agreement

According to formation, there are four kinds of contract:

1. Express contract
2. Implied contracts
3. Quasi-contracts
4. E-contracts

According to performance, there are two kinds of contract:

1. Executed contract
2. Executory contract

Essentials of Contract:

1. Offer and Acceptance: One party offers the contract and the other party will accept the offer.
2. Mutual consent: One of the main factor of contract where the both parties have agreed on contract and its regulations.
3. Consideration: In this factor something of value must be decided between two parties and should be exchanged in order to have the mutual relation and agreement between the two individual parties.
4. Capacity: Both the parties should have the legal capacities to enter the contract and be bound to it. Can be the desire of both parties to enter the contract or agreement.
5. Legal: Contract should be done according to legal rules and regulations and the goods trade should also be legal.
6. Capability: Companies or two parties should be capable of entering the contract phase.

The above mention are some essentials of contracts.

Question no 2:

 Answer no 2:

VALID CONTRACT: A contract which is written or expressed between the two parties. In valid contract both the parties to contract are responsible for all the legalization and rules regulations.

The essentials of valid contract are mention below:

1. Offer and acceptance: First, there should be two parties, one party should offer, and the other party accept or rejects the offer. Without offer and acceptance, there is no valid contract.
2. Legal relationship: Both parties should be legal entities and should build legal relationship between them in contract. Without legal relationship there is no valid contract.
3. Free consent: Every party has a free consent and to perform a valid contract both the parties should agree upon the same thing and in the same sense.
4. Lawful consideration: One value or amount is decided between the parties, in which one party in order to get goods or services they offer some amount of value for that goods and services.
5. Lawful object: Both the parties should be legal and ethical. The goods or services traded should be legal and ethical goods.
6. Legal agreement: Legal agreement can be written or oral which is the mutual understanding between both parties.
7. Meetings of mind: They should agree on the same thing or agreement.
8. Competency: Both the companies should be competent enough to enter into the contract phase.

The above mention are some the essentials of valid contracts without them there is no valid contract.

Question no 3:

Answer no3: Offer is a proposal or opportunity which one party gives to another party to enter into a legally bound agreement. Presenting something for the acceptance is called offer.

Acceptance happens when the other party which is been offered accepts the offer and match the terms in the offer. Acceptance takes place when offeree accepts the terms of contract and give something of value like money, to have a deal.

Offer can be revoked by the following scenarios or reasons:

An offer may be revoked before the time of acceptance.

1. By notice: Offeror can revoke the offer by giving the proper notice before the acceptance time.
2. By lapse of time: When the date of offer is due until the particular date, the offer is not accepted by that time then the offer gets revoked.
3. Failure to fulfill the condition: When offeree doesnot fulfill the agreed conditions with the offer and offeror as a result offer gets revoked.
4. Revocation of offer by offeree: When the offeree rejects the offer and talk to the offeror the offer gets revoked even if the time period is not completed.
5. Death of the offeree or offeror: The sudden death of offeror or offeree gets the offer revoke.
6. Subsequent illegality: An offer gets revoked, when there is illegality according to law. Can be legal but after amendment in law it gets illegal.