***Iqra National University Peshawar***

**Assignment #1**

**Course : BUSINESS AND LABOR LAW**

**Title : MID TERM ASSIGMENT**

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 **Q#01What is Contract and what are its Essential Elements?**

By contract we mean an agreement that happens between two or more than two parties for provision of products, performing a service or it may be connected to commit an act. Contract is mainly prosecuted by a law.

There are several essential elements of a contract that are:

1. Agreement
2. Mutual Consent
3. Competency
4. Consideration
5. Lawful Object
6. Not Declared Invalid

**Agreement**

Agreement is called the primary element of the contract. It is the result of the offer and acceptance of that offer.

**Free or Mutual Consent**

Mutual consent is another essential element of the contract. Both the parties in the contract should freely agree upon the same thing. There should be no external influence and both the parties should not force each other for the contract that are going to happen.

**Competency**

By competency we mean that both the parties should have the capacities and the abilities in order to enter into a contract. Both should reach the age of maturity, having sound mind, and both are not disqualified from the contract previously.

**Consideration**

It infers that the price settled to be rewarded, for the promisor’s requirement should be by the promise. It must be adequate and lawful.

**Lawful Object**

The object at which they are making a contract on should be valid or is not banned by the government or the authorities otherwise, the object will be declared invalid.

**Not Declared Invalid**

The law should not expressly declare the contract as void, such as contract in restraint of marriage, trade or legal proceedings.

**Q#02 Define Valid Contract & its Essentials?**

**Valid Contract**

Valid contract is a written agreement between the parties to provide a service or products. There are three essential elements of a Valid contract.

1. Offer
2. Acceptance
3. Aim to create a legal Relations
4. Consideration

**Offer**

Offer and acceptance are the two most significant components of the contract. The party which gives offer are called offer or while the one which accepts the offer is called offered.

**Acceptance**

Acceptance is another essential element of contract. When one agrees to the terms and conditions proposed by the other party, it is called acceptance of the offer or in other words, a positive response to the offer is called agreement.

**Consideration**

Consideration is another essential component of a contract without which contract is not possible. By consideration one means that the product or service for which contract is happening must have value.

**Aim to create a legal Relation**

This is the vital and most important element of the valid contract. We can define it as an act or an intention to do a legal contract or agreement.

**Q#03 According to the Contract Law what is Offer and Acceptance and how can we revoke offer?**

**Contract Law**

Contract law is basically known as a zone for law that administers making agreements, carrying them out and forming a fair therapy when there is a fissure or breach.

**Offer and Acceptance** is when they offered to buy your product/services and you said ye, sign a contract for a specified time. If you accepted it and they deliver your held bound by that contract to pay. If you changed your mind within 3 days you can cancel it. The contract will reveal any charges you must pay if you break the contract. I’ve never paid anything ever it has to be written in the contract.

**Revoking offer** is you saying no and you get a opportunity to counter offer. In short, you are not in agreement with what the terms are or the money is not enough you counter by putting out another offer with something that works for you. You are learning to negotiate or simply say no and end it.

**Reference :**

From book and mam notes