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Q: 1

Answer

Contract:

There are some definitions of contract which are as follows:

* Define by Salmond: a contract is an agreement creating and defining obligations between the parties.
* Define by Pollack: Any agreement or promise enforceable at law is a contract.

According to contract Act 1872 (Sec.2(h)): An agreement enforceable by law is a contract.

These definitions show that for a contract, there must be an agreement between the parties and the agreement must be enforceable by law.

There are the main two element of the contract are:

* An agreement
* The agreement should enforceable by law

Agreement:

* Every promise and every set of promises, forming the consideration for each other is an agreement.
* Plurality of persons
* Consensus od idem
* It means that both the parties to an agreement must agree about the subject matter of the agreement in the same sense and at the same time.

Examples: Y owns two Mobiles IPhone and Samsung. Selling Samsung to Z.Z Thinks he is buying Samsung. There is no consensus.

Example: If Y says to Z, will you purchase my Laptop for Rs.80,000? And Z says yes to it, there is consensus ad idem

Enforceability:

* It is the second requirement of contract. Any agreement which is recognized by courts is called enforceable.in order to be enforceable by law, the agreement must create legal obligations between the parties.
* All contracts are agreements but all agreements are not contracts.
* Social agreement
* Legal agreement
* Essential of Contract:

Some essential of contract which are as follows:

Offer:

Offer is the First element of the contract an in order to begin a contract. In offer include all the details of the agreement and its terms and conditions. Simply put, the offer is the offeror's attempt at entering into a contract with another.

Sometimes businesses will look for contractors through an invitation to treat by letting people know that they are interested in entering into a contract.

Acceptance:

When the offer reach to the hands of the offeree now may the offer accept or reject the proposal and its terms and conditions.

Offerees may be accept or reject offers through mail, email, or verbally.

Meeting of the Minds:

The meeting of the minds is the moment when party A and party B both are recognized the contract and the both party agreed.

Meeting of the mind is also called:

Genuine agreement, Mutual agreement, Mutual assent and Consensus ad idem

Consideration:

Consideration means something in return. The agreement must be supported by lawful consideration on both sides. Consideration is the price paid by one party for the promise of the other party. An agreement is enforceable only when both the parties give and receive something; the something given or received is called consideration.

Capacity of Parties:

An agreement is enforceable if it is made by parties who are competent to contract, it is essential that the parties must be of the age of majority, of sound mind and not disqualified from contracting by law. An agreement with incompetent person is not a contract.

Legality:

Contract created for legal trading, contract cannot be govern with illegal product or services trading, dealer of the illegal product and services cannot enforce for does not payment

* Each party must show legal object.

References

Taken help from book (business laws) and

Sites <https://www.upcounsel.com/7-essential-elements-of-a-contract>

Q: 2

Answer

Valid Contract:

Valid contract A contract which can enforced by either of the parties is called Valid contract. In Valid contract all the parties to contract are legally responsible for the performance of a contract.

* Example: A proposes to sell his car to B for Rs.2 lakh and B accepts the proposal, If A and B both possess the capacity so it is called valid contract.

• Example Waseem agrees to sell his Bike to Yaseen for Rs. 1 lac. Yaseen agrees to buy it. It is a valid contract. If Waseem fail to deliver the Bike, Yaseen can sue him and if Yaseen fails to pay, Waseem can sue him.

* Essential of valid contract:

A valid contract is enforceable by law. In a valid contract, all the parties are legally bound to perform the contract, in order to be enforceable an agreement must possess the essentials of a valid contract given in section 10.

Essential of valid contract which are as follows

(1). Offer and acceptance: An offer is a starting point for a contract. In order to form an agreement, there must be an offer by one party and an acceptance of that offer by the other party.

(2). Legal obligation: that the both parties must create legal obligation, one party cannot complete legal obligation, so it is necessary for both party to create legal obligation.

(3). Free Consent: For a valid contract it is essential that the consent of parties must be free. Consent is free when it is not obtained by coercion undue influence, fraud or mistake. If the consent of either of the parties is not free, the agreement cannot become a contract.

(4). Lawful consideration: Consideration means something in return. An agreement is enforceable only when both the parties give and receive something; the something given or received is called consideration.

(5). Lawful Object an agreement may become a valid-contract only, if it is for a lawful consideration and lawful object

(6). Agreement not expressly declared void: An agreement to become a contract should not be an agreement which has been expressly declared void by any law in the country, as it would not be enforceable at law

(7). Certainty and possibility of performance: Agreements to form valid contracts must be certain, possible and they should not be uncertain, vague or impossible. An agreement to do something impossible is void

(8). Legal formalities: The agreement may be oral or in writing.

(9). Competency of parties: The parties to an agreement must be competent to contract. In other words, the parties must be able to enter in contract.

(10). Consensus-ad-idem: The parties to an agreement must have the mutual consent i.e. it is means that the parties will agrees on the same thing and move on.

References:

taken help from (Business laws and regulations).

No site involves.

Q: 3

Answer

Offer

Law defines a proposal as, “One person convey to another his willingness to do or to avoid from doing anything, with a view to obtaining the assent of that offer to such act or avoidance, he is said to make a proposal”

An offer consist the following parts:

* It must show the willingness of offeror to do or not to do some act.
* It be must be made to obtain the consent of the other person regarding that act.

Called offeror or promiser who make the offer. For whom the offer is made is called the offeree or promisee. The person who accepts the offer is called the promisee or acceptor. The term proposal is used in Contract Act but usually the term offer is used in practical life.

There are some example:

* Saleem offer to sell his car to Adil for Rs 10 lac Saleem makes an offer to Adil.
* Saleem promise to sell his bike to Bashir for Rs 50,000 Saleem mekes an offer to Bashir.

Acceptance

The acceptance is a consent or agree with offer given by the offeree to an offer. It is an expression by the offeree of his willingness to be bound by the term off the offer.

Law defines acceptance as, When the person to whom the proposal is made convey has agree to that, the proposal is said to be accepted. A proposal, when accepted, becomes a promise.

Example Jameel offers to sell hi Mobile to Wajid for 20,000 Wajid accept the offer. This is an acceptance.

* How we can revoked offer?

An offer can be revoked in any of the following ways:

1. Notice of Revocation: An offer be revoked by sending a notice of revocation to the other party. It means the offerer may revoke his offer at any time before acceptance, even though the period of acceptance of offer has not yet expired.

2. By lapse of time: When the offer states that it is open until a particular date, the offer terminates on that date if it is not accepted by that time. Notification time must be completed.

3. Failure to fulfill the condition: An offer stands revoked if the offeree fails to fulfill the conditions given therein. If an offer contains some conditions and the offeree has taken responsibility to fulfill such conditions and if the offeree fails to fulfills such conditions, the offer terminates.

5. Death or Insanity of the offeror: An offer terminate on death or instantly of the offeror, if the offeree come to know about his death or instantly before acceptance. If the offeree does not know about the death or instantly of the offeror and gives acceptance, it is valid acceptance.

6. Subsequent Illegality: An offer terminate if it becomes illegal before acceptance. An offer terminate if it becomes illegal due to change in the law before acceptance by the offeree.

7. Destruction of subject Matter: An offer wind up automatically if the subject matter of the offer is destroyed before its acceptance by the offeree.

References

Taken help from (Pakistan contract, agreement and businesses).

The End