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BUSINESS AND LABOR LAW

ANSWER SHEET

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

ANS) Contract:

The phrase contract is defined as an agreement between two or more essentially binding parties, the agreement with the legal application is considered a contract. It creates and defines the service and obligations of the parties concerned.

Essentials of Contract:

1. Agreement:

The main element that creates a contract between the parties is an agreement, which is the conclusion of offer and acceptance, which the interested parties are considering.

2. Free Consent:

The consent of the parties is another important aspect of a contract, which means that the contracting parties must agree on the same thing in the same way.

3. Competency:

competency refers to the ability of the parties to conclude the contract, i.e. it has matured, that it must be in good health and is not excluded from the convention, as according to the law as foreign enemy, foreign sovereigns, etc.

4. Consideration:

This means that the agreed price to be paid by the duty of the promisor through the promise. It should be appropriate and legal.

5. Lawful object:

The object for which the contract is created must be valid or declared blank.



Q2) Define Valid Contract and its essentials?

ANS) Valid Contract:

A valid contract is an agreement, binding and applicable. In a valid contract, all parties are legally obliged to execute the contract.

In accordance with Sec 10, "All contracts are contractual if they are concluded with the free consent of the parties competent to enter into a legal and legitimate indemnification agreement and are not expressly declared void."

On inspect the constituents of Sec 10. It is acknowledge that the following are the essentials of a valid contract:

Essentials of valid contract:

1. Offer and acceptance:

There must be at least two parts of an agreement, one of which makes the offer and the other accepts it. The offer when accepted becomes contract.

2. Legal relationship:

The parties to a contract must be intended to form a legal relationship. It happens when the parties know that if one of them fails to fulfill its part of the commit, he will be responsible for the breach of the contract.

3. Competency of parties:

The parties to an agreement have contractual expertise. In other words, they must be able to conclude a contract.

According to the law of Sec 11, "everyone has the power to hire seniors in accordance with the law to which they are subject and who is in a good position and is not disqualified from the contract by any law to which they are subject".

4. Free consent:

Another essential part of a valid contract is the consent of the parties, which must be free of charge. According to Sec 13 "Two or more parties are said to agree when they accept the same thing in the same way".

5. Lawful consideration:

Consideration is identified as "something in return." It is also necessary for the validity of the contract. The assurance to do something or give something without anything in return would not be enforceable by law and therefore would not be lawful.

6. Lawful objects:

According to Sec 10, an agreement can only be converted into a valid contract if it is a legitimate consideration and a legitimate object.

7. Legal formalities:

The agreement may be oral or written. If the agreement is written, it must comply with all legal formalities relating to confirmation, registration. If the agreement does not fulfill with the essential legal formalities, it cannot be applied by law.



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

ANS) Contract Law:

A contract is a legally applicable agreement between two or more parties when each accepts a legal obligation to be fulfilled. Many aspects of daily life include contracts, including the purchase of real estate, the application of a car loan, the signing of employment-related documents and agreement with the terms and conditions in the purchase of products and services or the use of computer software.

Offer:

To create a valid contract, one party must make an offer, and the other party must accept the offer, and the concern must be exchanged. The bidder is known as "offer-or", while the person receiving the offer is called "offeree".

The offer refers to a promise that depends on a particular act, promise or benefit granted in exchange for the original promise. It is a demonstration of your will to conclude an agreement and to invite the other Contracting Party to conclude the agreement by expressing its consent.

Acceptance:

Acceptance is a final and unreserved expression of agreement to the terms of an offer.

Acceptance refers to the importance of the offeree for his willingness to enter into a contract with the offerer under the conditions he has offered. Without approval, there can be no contract.

EXAMPLE:

Painter promises to paint house within 15 day for \$2,500 (**OFFER**)

Proprietor agrees to the time frame and the \$2,500 (**ACCEPTANCE**)

Painter → OFFEROR

Proprietor → OFFEREE

Revocation of an offer:

Revocation means "elimination". That is offerer cancelled (revoked) the offer before the approval of offeree.

- **Lapse of time** (An offer will dismiss after a rational lapse of time. What extents to a reasonable period will depend on the circumstances)
- **Rejection of offer by the offeree** (Offeree might be reject the offer. Once he has rejected, he cannot later accept it)

- **Counter offer** (A counter offer is when an offeree reacts to an offer by making an offer on different terms. This has the effect of terminating the original offer so as to it can no longer be accepted by the offeree.)
- **Prescribed manner** (Offer would be accepted in a prescribed manner as an identified by the offeror)
- **Demise of offeror or offeree**

