

Business Law

Agreement

- When an Offer is made by one person ,known as Offeror,and accepted by another person ,known as offeree,it becomes a Promise.
- Section 2(e) of the Indian Contract Act states that every Promise and every set of Promises forming Consideration for each other is an Agreement.
- It implies that an Agreement is an accepted proposal

Characteristics of an Agreement

- Plurality of Persons
- Consensus ad-idem

Kinds of Agreement

- Social Agreements
- Legal (Valid) Agreements
- Void Agreements
- Voidable Agreements
- Unenforceable Agreements
- Illegal Agreements
- Agreements to Agreements

CONTRACT

- According to Section 2(h) of the Indian Contract Act, 1872 an Agreement enforceable by Law is a Contract

Essentials of a Valid Contract

- Plurality of Persons
- Offer and Acceptance
- Legal Relationship, Legal Consequences, Promises & Obligations recognized by Law
- Lawful Consideration
- Contractual Capacity of the Parties
- Free and Genuine Consent
- Lawful Object
- Agreement not declared Void
- Certainty and Possibility of Performance
- Legal Formalities