

Contract law

Law



Contract law A contract is an agreement between two or more parties, with the intention of creating a legal obligation, which may have elements in writing. And it can be made orally. This agreement creates a legal relationship of rights and duties on the parties and if these obligations in the agreement are not fulfilled then serious action could be taken by the courts on the party. There are three key elements for the conception of a contract. These are offer, acceptance, consideration and an intention to create legal relations.

Generally the parties to a written contract comprehend that they have entered into a binding agreement, but they do not always grasp this point when making an oral or implied contract. It is always difficult to prove the terms of an oral or implied contract than those of a written one. Elements of a contract An offer: an expression of willingness to contract on a specific set of terms, made by the offeror or with the intention that, if the offer is accepted, he or she will be bound by a contract. Acceptance: an expression of absolute and unconditional agreement to all the terms set out in the offer.

It can be oral or in writing. The acceptance must exactly mirror the original offer made. Consideration: each party to the contract must receive something of value. But it is not necessary that it should be specified in the contract. An agreement made without consideration is void. Persons competent to contract All persons are legally authorized to enter into a contract except for the following: • Minors • Mentally incompetent persons. • Person who is ineligible from entering into the contract by law.