



SNS COLLEGE OF TECHNOLOGY

Coimbatore - 35



19BAT604 – Legal Aspects of Business

Unit I – The Indian Contract Act 1872



Presented by

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Design Thinker

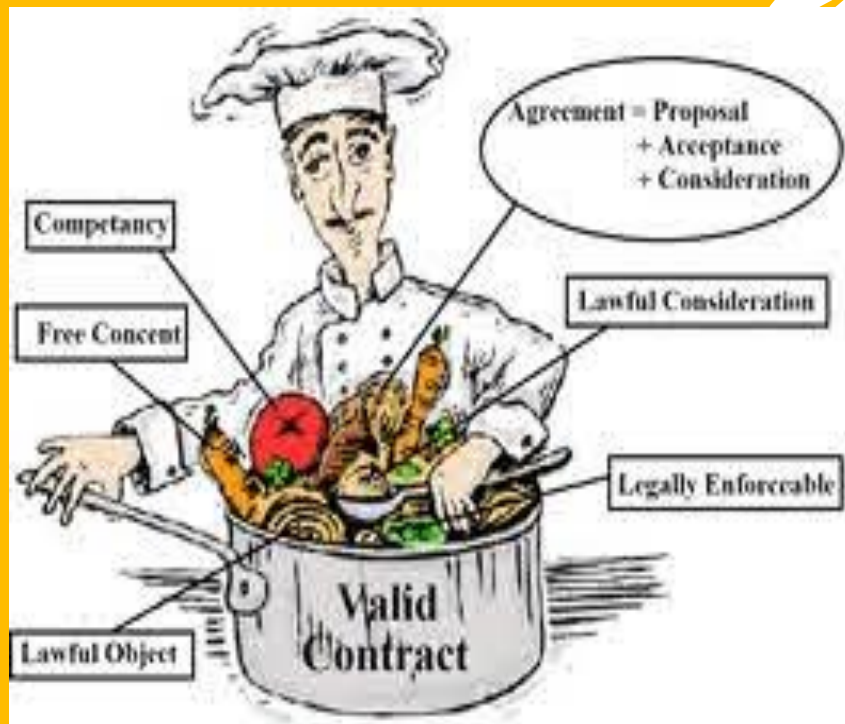
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Redesigning Common Mind and
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Guess the Topic for
today's session!!!

Essential elements of Valid Contract





Recap....

Important Terms

- Offerer
- Offeree
- Offer
- Acceptance

Contract

Agreement • Kinds of agreement

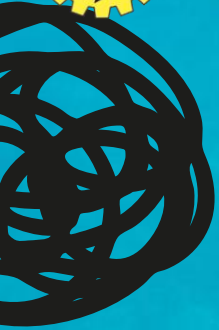




Discussion about....

- Why to study the elements of contract?
- Essential Elements of Contract
- Classification of Contract
- Difference between Agreement and Contract



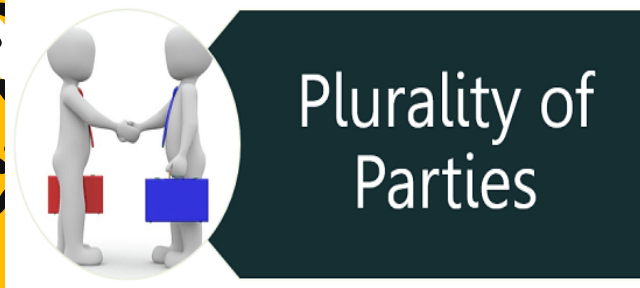


Need to study the Essential elements of Contract





Elements of Valid Contract



Plurality of Parties



cannot be enforced.

Consideration

X's promise to sell the car → Consideration for Y's promise to pay the sum

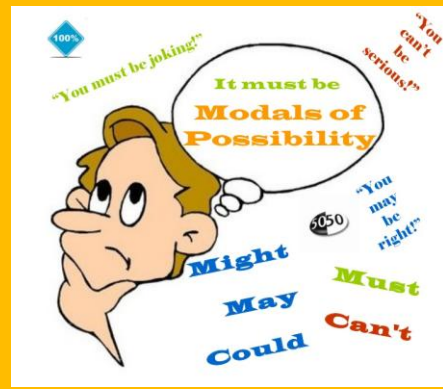
Y's promise to pay the sum → Consideration for X's promise to sell the car



Elements of Valid Contract

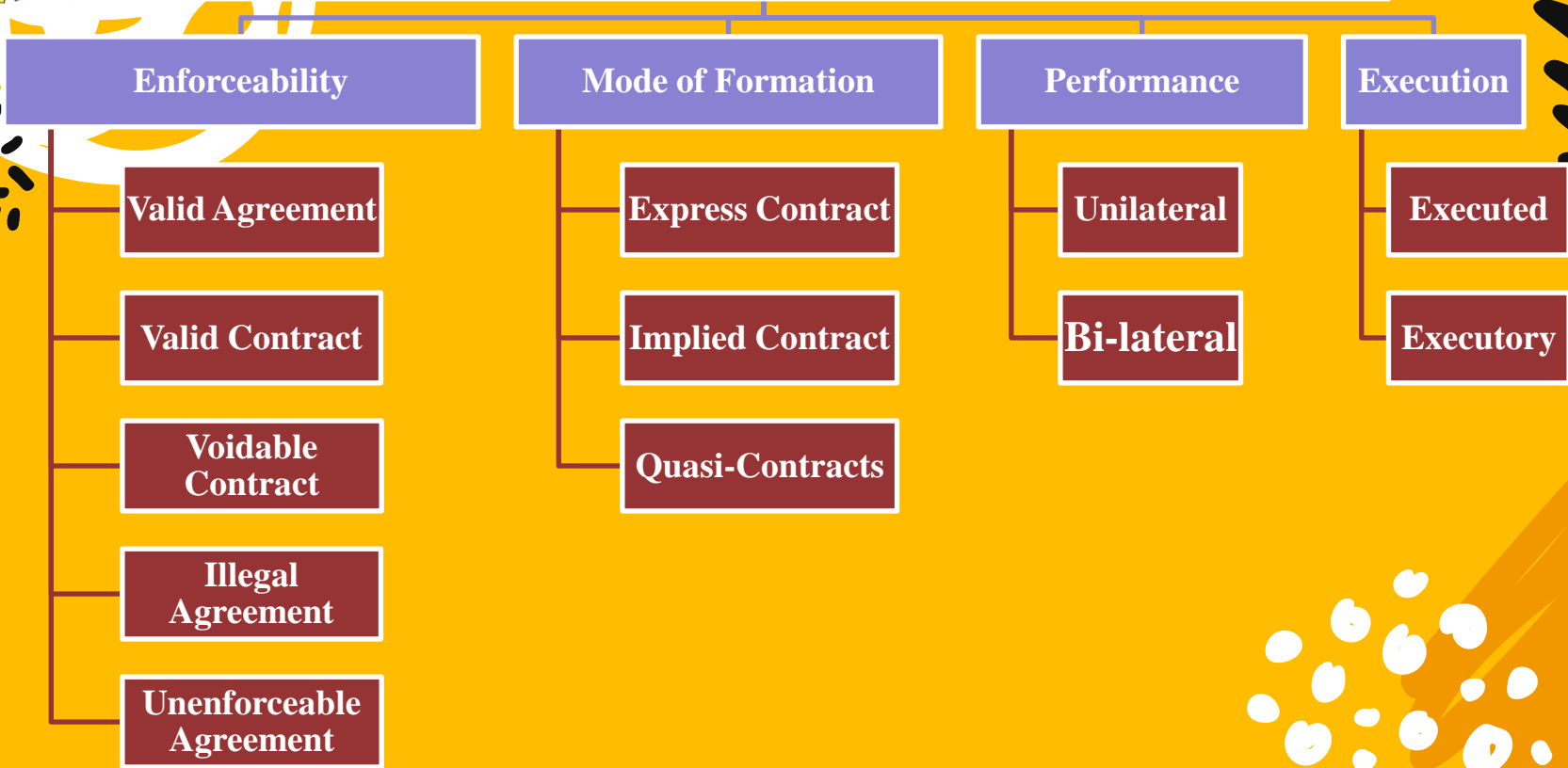
Capacity means legal Competency of parties to enter into a contract.

- Age of majority,
- Sound Mind,
- Not 'disqualified by Law'.





Classification/Types of Contracts





Difference Between Agreement and Contract





Difference Between Agreement and Contract

Basis for Comparison	Agreement	Contract
Meaning	When a proposal is accepted by the person to whom it is made, with requisite consideration, it is an agreement.	When an agreement is enforceable by law, it becomes a contract.
Elements	Offer and Acceptance	Agreement and Enforceability
Defined in	Section 2 (e)	Section 2 (h)
In writing	Not necessarily	Normally written and registered
Legal obligation	Does not creates legal obligation	Creates legal obligation
One in other	Every agreement need not be a contract.	All contracts are agreement



Knowlegde Check

Which one of the following essentials of contract has not been incorporated in Indian cost to Contract Act 1872 ?

- X A) Competency to parties .
- X B) Lawful object.
- X C) Intention to contract.
- X D) Consideration

Intention to Contract



Summary

- Why to study the elements of contract?
- Essential Elements of Contract
- Classification of Contract
- Difference between Agreement and Contract





References

- https://en.wikipedia.org/wiki/Indian_Contract_Act,_1872
- <https://accountlearning.com/essential-elements-of-a-valid-contract/>





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Thanks!

