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Ankit Raj

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Answer 3)

A contract is an arrangement that is legally binding. It implies that certain agreements - those that constitute contracts - are legally binding while others are not. For instance, a deal to buy a bike could constitute a contract, while a deal to see a movie might just be an unenforceable agreement. Going to the movies is a social contract, and social contracts are not legally binding.

The six essential elements of a legally valid contract are as follows :-

- All agreements are contracts if they are made with the free consent of the parties competent to contract, object of contract is lawful, for a lawful consideration and are not declared void. All legal requirements like contract in writing, registration of documents and signature of witnesses needs to be complied with.
- Consent by two or more persons means that they agree upon something with the same understanding on all its aspects.
- Free consent happens when it is free of any coercion, undue influence, fraud, misrepresentation or all its or mistake.
- Fraud means suggesting something is true



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when it is not, concealing facts, making promises with no intention of doing it or by doing anything fraudulent.

- An agreement arrived at by coercion is voidable; same is the case for fraud and misrepresentation.

- Lawful object of any agreement means that the object is not specifically forbidden in law. (E.g:- agreement to supply prohibited drugs or make forbidden weapons).