

# Legal Aspects of Business

Dr. J Bhavani, Faculty, Business School Vellore Institute of Technology

## Recapitulate

Offer

**Essential Elements** 

Types of offer

Revocation of offer

Acceptance

**Essential Elements** 

### Consideration

Something in Return, may be in the specified form

Essentials of a lawful consideration

Lawful

Real but not illusory

Past, present or future

Promisor or any other person

Positive or Negative

Not be adequate

#### Forms of Consideration

- An act/service (or)
- A return promise (or)
- Money (or)
- Forbearance or abstinence

#### Exceptions – "No Consideration No Contract"

Love & Affection **Voluntary Services** Time barred debts **Exceptions Completed Gifts** Agency creation **Charitable Subscription** 

Dr. J Bhavani, VIT

### Review Questions

1. A promise for a promise is a good consideration. True or False

2. Past consideration is no consideration. True or False

- 3. Consideration in a contract may be
- a) Past, Present or Future
- b) Present or future only
- c) Must be present only
- d) Must be future only

#### Answer

1. A promise for a promise is a good consideration.

**Answer:** True

2. Past consideration is no consideration.

**Answer:** False

3. Consideration in a contract may be

Answer: a) Past, Present or Future