



**VIT<sup>®</sup>**  
**Vellore Institute of Technology**  
(Deemed to be University under section 3 of UGC Act, 1956)

# Legal Aspects of Business

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# Recapitulate

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- Free Consent
- Flaw in Consent
  - Coercion
  - Undue Influence
  - Misrepresentation
  - Fraud
  - Mistake

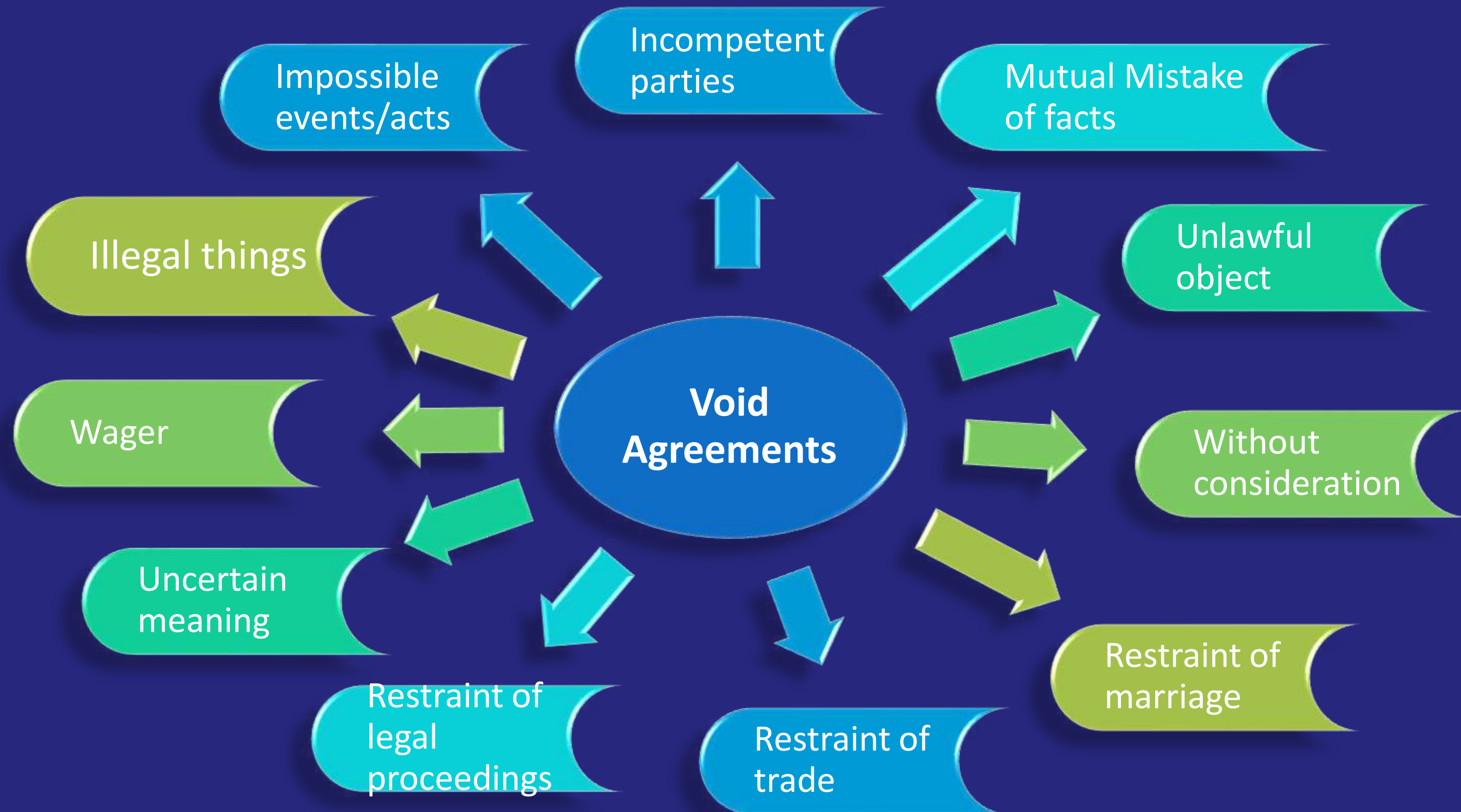
# Void Agreements

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A void agreement is

- Not enforceable by law.
- Not give rise to any legal consequences and it is *void ab initio*.

# Void Agreements

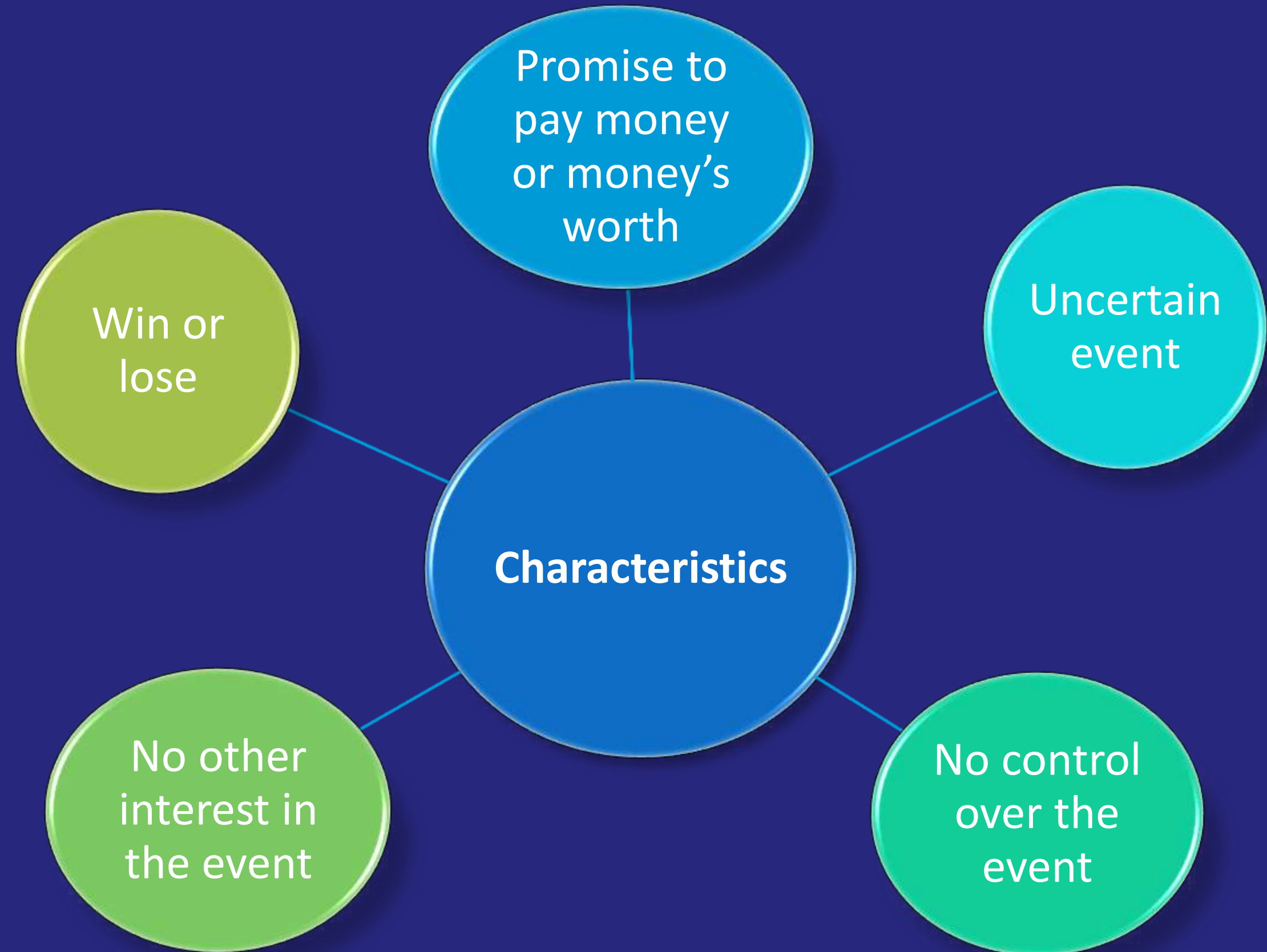


# Wagering Agreements

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A wager is an agreement between two parties one promises to pay money or money's worth on the happening of some **uncertain event** in consideration of the other party's promise to pay if the event does not happen.

# Wagering Agreements



# Wagering Agreements

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The following transactions are not wagers;

- Crossword competition
- Games of skills
- Subscription or contribution toward any prize, cup or money
- Share market transactions
- Contract of insurance

# Review Questions

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1. An agreement to do an impossible act is
  - a) Void
  - b) Voidable
  - c) Valid
  - d) Illegal
  
2. A contract of insurance is a wagering agreement. **True or False**
  
3. A lends Rs.10,000 to B in order to enable him to bet with C as to the result of a horse race. Can A recover money from B?



# Answer

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1. An agreement to do an impossible act is

**Answer:** a) Void

2. A contract of insurance is a wagering agreement.

**Answer:** False

3. A lends Rs.10,000 to B in order to enable him to bet with C as to the result of a horse race. Can A recover money from B?

**Answer:** Yes