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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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## Void Agreements

- Circumstances under which contracts can be declared void
- Wagering agreements

# Performance of Contract

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Fulfilling their obligations  
arising under the contract  
within the time and in the  
manner prescribed

# Requisites of valid performance of contract

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- Unconditional
- Whole obligation
- Willing to perform the promise
- Proper time and place
- Proper form
- Opportunity to inspect the goods.

# Contracts which need not be performed?

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- Performance becomes impossible
- Substitute a new contract for it or to rescind or alter it
- When the promise dispenses with or remits, wholly or in part, the performance or accepts any satisfaction for it
- When the person at whose option it is voidable
- When it is illegal.

# By whom must contract be performed

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- Promisor himself
- Agent
- Legal representative
- Third person
- Joint person

# Reciprocal Promises

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Promises which form the consideration or part of the consideration for each other.

## Classification

1. Mutual and independent
2. Conditional and dependent
3. Mutual and concurrent

# Review Questions

1. Sale of goods for cash is an example of
  - a) Mutual and dependent promise
  - b) Mutual and concurrent promise
  - c) Mutual and independent promise
  - d) Conditional and dependent promise
  
2. Contractual obligations involving personal skill cannot be assigned. True or False
  
3. A enters into a contract with B for supplying 800 tonnes of iron ore within 4 months. A fails to make the delivery in time owing to difficulty in transport. But he admitted the availability of iron ore in the market at a higher price. Can A take the plea of impossibility of performance?



# Answer

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1. Sale of goods for cash is an example of

**Answer:** b) Mutual and concurrent promise

2. Contractual obligations involving personal skill cannot be assigned.

**Answer:** a) True

3. A enters into a contract with B for supplying 800 tonnes of iron ore within 4 months. A fails to make the delivery in time owing to difficulty in transport. But he admitted the availability of iron ore in the market at a higher price. Can A take the plea of impossibility of performance?

**Answer:** A cannot take the plea of impossibility of performance.