API(Application Programming Interface).

APIs helps us to expose some functionality to the outer world in an abstracted fashion which that the consumer doesn't need to know how the API is working, they only need to care how to get some work done from the API. API is kind of like an interface sitting between the consumer and the application which hides (abstracts) the internal logic of the application form the consumer.

These APIs might need network interaction from communication between sender and receiver. or sometimes they don't need it.

It's kind of like, when we have to get any Banking services, we don't start learning how banks work? We just go to the nearest Bank Branch, raise them out query and then Bank behind the scenes does the job for us. So you can say, these branches are the API that banks have exposed.

Whenever we have to get something done, we need to go through proper protocols to raise a request in a Bank. Same exists with an API, to get something done, we need to follow something called as API contract.

API contract is the specification, which tells how to interact with the API.

Definition:

API full form is an Application Programming interface. An API is an interface that allows two different applications to communicate with each other.