

Consideration

According to section 2 (d) of the Contract Act, 1872-

“When, at the desire of the promisor, the promisee or any other person has done or abstained from doing, or does or abstains from doing, or promises to do or to abstain from doing, something, such act or abstinence or promise is called a consideration for the promise.”

Consideration

Analyzing the definition of consideration we get the following ingredients of the consideration-

1. It is an act or abstinence. That means it may be positive or negative.
2. It is done at the desire of the promisor. So, if it is done at the desire of any third person that will not be a consideration.
3. It may be of three forms, i.e. has been done or being done or is promised to be done at some future time.

Consideration

Types of consideration:

Consideration may be of three types as it appears clearly from the language used to define the term “consideration”- *has done or abstained from doing, or does or abstains from doing, or promises to do or to abstain from doing*. So we get the following consideration-

1. *Executory consideration;*
2. *Executed consideration;*
3. *Past consideration.*

Consideration

1. **Executory consideration:** Executory consideration consists of a promise to do or abstain from doing something at a future time. Suppose, A agrees to sell a car and B agrees to buy it a certain price, here the consideration is executory.
2. **Executed consideration:** If any party to a contract promises his part and the other party keeps it for future time then the part which is performed already will be called executed consideration. Suppose, A agrees to sell his computer for taka 30,000, B agrees and pays the amount stated to A but still A has not delivered the car, then the payment made by B will be considered as an executed consideration.

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3. **Past consideration:** By using the words “has done or abstain from doing” in section 2 (do, the law clearly recognized past consideration as a good consideration.

Consideration

Consideration as an essential element of a contract:

It is said that “ an agreement without consideration is void”

Exception to the general rule:

According to section 25 of the Contract Act, 1872 An agreement made without consideration is void, unless–

- (1) it is expressed in writing and registered under the law for the time being in force for the registration of documents, and is made on account of **natural love and affection between parties standing in a near relation to each other**; or unless
- (2) it is a promise to compensate, wholly or in part, a person who **has already voluntarily done something for the promisor, or something which the promisor was legally compellable to do**, or unless
- (3) it is a promise, made in writing and signed by the person to be charged therewith, or by his agent generally or specially authorized in that behalf, to pay wholly or in **part a debt of which the creditor might have enforced payment but for the law for the limitation of suits**