



**RAMA
UNIVERSITY**

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FACULTY OF JURIDICAL SCIENCES

COURSE: B.A.LL.B. 1st Semester

SUBJECT: ADVANCE LEGAL WRITING SKILL-I

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LECTURE: 11

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Lecture-11



Valid Contract

The word 'Contract' is derived from the Latin term 'Contractum' which means "drawn together". According to Section 2(h) of the Indian Contract Act, "An agreement enforceable by law is a contract". Section 10 of the Indian Contract Act, 1872, says that All agreements are contracts, if they are made by the free consent.

Essentials of a Valid Contract :

Following are the essential elements of a valid Contract.

1) Two or more parties/ persons

2) Identity of Mind

3) Capacity

4) Free Consent

5) Consideration

6) Lawful object

7) Legal Relationship

8) Possibility of Performance

1) Two or More Parties / Persons:

To constitute a contract, there must be an offer/ proposal and acceptance. One person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a proposal. When a person to whom the proposal is made, signifies his assent thereto the proposal is said to be accepted. A proposal, when accepted, becomes a promise. The person making the proposal is called the “promisor”, and the person accepting the proposal is called “promisee”. Therefore in every contract, there must be two or more parties/persons at least two parties/persons.

2) Identity of Mind:

To constitute a valid contract there must be Identity of minds between the parties. In simple words both the parties (promisor and promisee) to the contract must have agreed about the subject in the same sense and at the same time. If there is no consensus-ad-idem (Identity of mind) the contract is null and Void.

Example :

3) Capacity / Competency of the Parties:

To constitute a valid contract, contracting parties must be competent. According to Section 11 of the Indian Contract Act, 1872 Every person is competent to contract who is of the age of majority according to the law to which he is subject, and who is sound mind and is not disqualified from contracting by any law to which he is subject.

4) Free Consent:

Free Consent is an essential element for formation of a contract. According to Section 10 of the Indian Contract Act, 1872, All agreements are contracts, if they are made by the free consent. Section 13 and Section 14 of the Indian Contract Act, 1872 defines 'Consent' and 'Free Consent' respectively.

MCQ

1. The Indian Contract Act, 1872 is divided into Chapters.

a) 3

b) 8

c) 10

d) 12

2. The Law of Contract is nothing but

a) A child of commercial dealing

b) A child of religion

c) A child of day to day politics

d) A child of economics

3. The Contract Act came into force

a) From 1 September, 1872 but with retrospective effect

b) Before 1 September, 1872

c) From 1 September, 1872

d) After 1 September, 1872

4. The Contract Act applies to

a) Contracts made before 1 September,
1872

b) Contracts made on 1 September, 1868

c) Contracts made before 1 September,
1872 and to be enforced after 1 September, 1872

d) Contracts made on and after 1 September, 1872

5. An Indian mercantile law is based upon

a) Indian culture

b) British culture

c) England law

d) American law