

Indian Contract Act, 1872

Contract → "an agreement enforceable by law"
Section 2(e)

①
elements

①
agreement

enforceable by law

↓
every promise or "set of promises" forming consideration for each other

reciprocal promises } promisee's promise
Section 2(c)

↓

→ law → "quid-pro-quo"
"something in return"

Promise + consideration

↓

(accepted proposal/offer)

[signifies → expresses
assent → approve]

↓

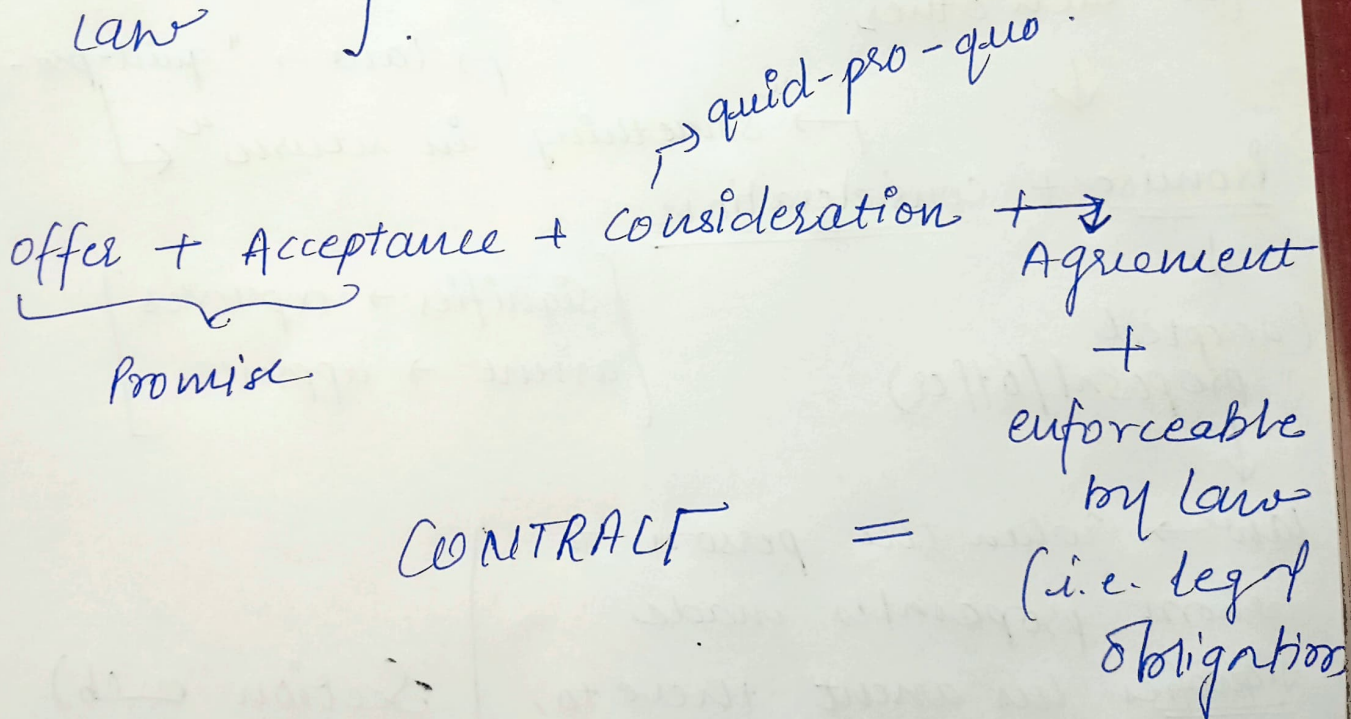
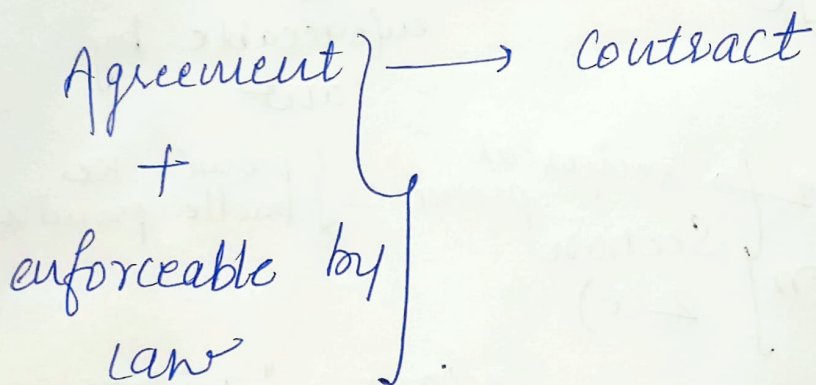
law → "when the person to whom proposal is made signifies his assent thereto, the proposal is said to be accepted. Proposal when accepted, becomes a promise"

Section 2(b)

② enforceable by law



"An agreement to become a contract must give rise to a legal obligation which means duty enforceable by law".



Date.....

Qno 1 what is a contract ?

Ans The term contract is defined under section 2(c) of Indian contract Act, 1872 as -

"an agreement enforceable by law."

→ contract consists 2 essential elements:-

* Agreement

* enforceable by law

Qno 2 what is an agreement & enforceable by law ?

Ans Agreement:- According to section 2(e) of the act, Agreement is defined as -

"every promise and set of promises, forming consideration for each other"

Enforceable by law :-

"An agreement to become a contract must give rise to a legal obligation which means duly enforceable by law."

Qno 3 what is Promise ?

Ans According to the section 2(b) of Indian contract Act, 1872, promise is defined as -

Teacher's Sign

signifies → ~~it~~ inclusion
assent → approval

Date.....

" when the person to whom proposal is made signifies his assent there to, the proposal is said to be accepted. Proposal when accepted, becomes a promise. "

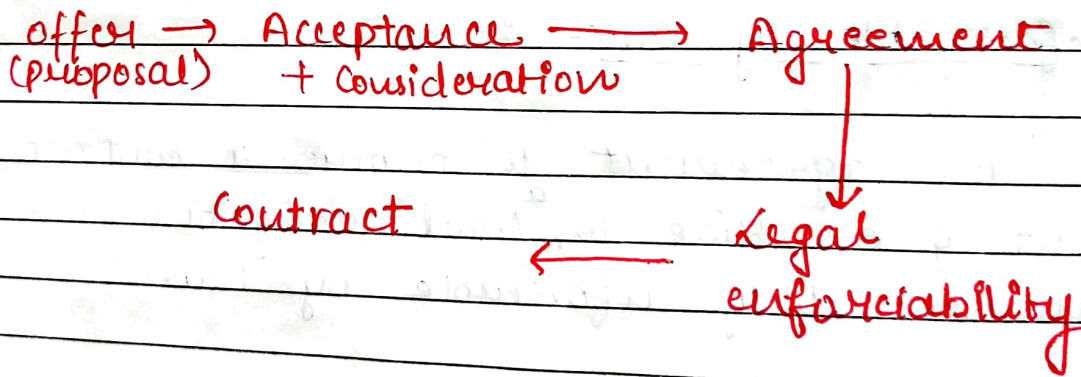
[keyword for promise →
proposal → accepted → promise]

contract = Agreement + enforceable by law

* $\begin{matrix} \text{Promise} \\ \swarrow \text{Accepted proposal} \end{matrix}$ consideration

∴ Agreement = offer + acceptance + consideration = ~~Promise~~

Note :- An agreement is result of proposal made by one-party to another party gives his acceptance for mutual consideration



=> EXAMPLES (STUDY MAT)

1. A agrees with B to sell car for £ 2 lac to B.

Here, A is under obligation to give car to B and B is under obligation to give £ 200,000 to A.

A has right to receive £ 200,000 and B has right to receive car. on the payment

2. Father promises his son to pay him pocket allowance of £ 500 every month. But he refuses to pay later.

The son cannot recover the same from court of law as it is a social agreement. This is not created with an intention to create legal relationship. The cause of contract deal with only such legal obligations which has resulted from agreements, such obligations must be contractual in nature.

3. An obligation to maintain wife and children, an order of the court of law, etc. These are status obligations and so out of the scope of Contract Act.

Date.....

Qno 4 Distinguish between Agreement & contract.

2(e) ↓
Agreement ↓
Contract

Basis

Meaning/
Definition

Every promise and every set of promises, forming consideration for each other.
Agreement = Offer + Acceptance + Consideration.

An agreement enforceable by law
Contract = Agreement + ~~is~~ enforceable by law

Scope

It's a wider term including both legal and social agreement.

It's ^{is} used in narrower sense with the specification that contract is only legally enforceable agreement.

Legal obligation

It may not create legal obligation.
An agreement does not always grant rights to its parties.

Necessarily creates a legal obligation. A contract always grants ^{certain} rights to every party.

Nature

All agreements are not contracts.

All contracts are agreements.