

Unit - 2

Consideration: Sec 2(d)

"When at the desire of the promisor, the promisee or any other person has done or abstained from doing something, such act or abstinence or promise is called a consideration for the promise."

* Legal Rules:

1. Move at the desire of the promisor.
2. Move from the promisee or any other person.
3. May be past, present or future.
4. Need not to be adequate. (Sufficient)
5. Must be real & competent.
6. Must be something which promisor is not already bound to do.
7. Must not be illegal, immoral or opposed to public policy.

* Suit by a third party: Exception for "Doctrine of Privity of Contract"

- i) Trust
 - ii) Family settlement
 - iii) Marriage settlement
 - iv) Acknowledgement
 - v) Assignment of contract
 - vi) Agency
 - vii) Transfer of immovable property.
- ↳ Which means
⇓
Stranger to contract
cannot sue.

* Contract without Consideration:

1. A written and registered agreement based on natural love and affection between near relatives.

2. A promise to pay for a past voluntary service is binding.

3. Promise to pay time barred debt.

4. No consideration for agency.

5. Completed gifts.

6. Bailment (sec. 148).

7. Charity