

Lecture 6 : Summary

Contract Law Defined

- ▶ Contract law is the body of law that relates to making and enforcing agreements. A contract is an agreement that a party can turn to a court to enforce.

Elements of Contracts

- a- Parties
- b- Terms
- c- Agreement

- **Parties**

- The **promisor** is the party that makes the promise.
- The **promisee** is the one receiving the promise.

- **Terms**

- **A Condition** : gives the aggrieved party the right either to terminate the contract or affirm it.
- **A Warranty** : is a term that, if breached, does not give the aggrieved party the right to terminate the contract; it gives rise only to claim damages.

- **Agreement**

- A legally-binding undertaking between the buyer and supplier, in terms of the obligations, relationships and responsibilities between them, that is commonly described as a contract.

Offer

- ▶ First, one party must make an offer. They must state the terms that they want the other party to agree to. If the other party agrees to the terms of the offer, the other side may accept it, and the contract is complete.

Acceptance

- ▶ Accepting another party's offer makes a contract complete. The party that accepts the offer must accept it on the same terms as the terms of the original offer. They must make sure that the other side knows they accept it.

Consideration

- ▶ A valid contract requires each party to give something up. That's called consideration. For example, in the case of a work contract, one party agrees to provide money, and the other party agrees to provide labor.