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Legal Environment of Business - LEB 323

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Answer to the question no-3Tort

Short note:- Tort in common law, civil law, and the vast majority of legal systems that derive from them, any instance of harmful behaviour, such as physical attack on one's person or interference with one's possessions or with the use and enjoyment of one's land, economic interest, honour, reputation, and privacy. The term derives from Latin *torquere*, meaning 'something twisted, wrong, concept,

Criminal law

Short note:- Criminal law, the body of law that defines criminal offenses, to regulates the apprehension, charging, and trial of suspected persons and the fixes penalties and modes of treatment to applicable to convicted offenders. Criminal law varies according to jurisdiction, and differs from civil law, where emphasis is more on dispute resolution and victim compensation, rather than on punishment or rehabilitation.

Immoral Ethics

Short note :- Immoral ethics is a person or behavior that conscientiously goes against accepted morals. That is the proper ideas and beliefs about how to behave in a way that is considered right and good by the majority of people. Immoral ethics is the intent of evils or wrongdoing, and it is a true antonym of moral.

Legislation

Short note :- Legislation refers to the or preparation and enactment of laws by a legislative body through its lawmaking process. The legislative process includes evaluating, amending, and voting on proposed laws and is concerned with the words we use in the bill to communicate the values and purposes of the proposal.

Contract law 1972

Short note :- The law is based on the principles of English common law. It is applicable to all the states of India. It determines the circumstances in which promises made by the parties to a contract shall be legally binding. Under section

the Indian Contract Act defines a contract as an agreement which is enforceable by law.

offer

Short note :- An offer is a conditional proposal made by a buyer or seller to buy or sell an asset, which becomes legally binding if accepted. An offer is also defined as the act of offering something for sale or the submission of a bid to buy something.

Termination of contract

Short note :- A contract can be terminated by either of the parties or both by the consent or agreement. There are multifarious ways in which a contract comes to an end such as on its completion, impossibility of performance, breach, termination by prior agreement, rescission, novation of contract or force majeure.

Answer to the question no-4

Contract Act-1872 Acceptance there are given below:- Acceptance is defined under section 2 of the Indian Contract Act 1872 as when the to person whom the Proposal is made signifies his assent thereto, the Proposal is said to be accepted. A Proposal, when accepted, becomes a Promise. This section states that an offer is accepted when the offerer to whom the Proposal is made accepts the offer without any condition. When the offer is accepted then the Proposal becomes a Promise and it is irrevocable. An offer does not have any legal obligation but as soon as the offer is accepted, it creates a legal obligation on the parties and therefore it cannot be revoked. The offer can be revoked only till the offer is not accepted and once the offer is accepted, it can't be revoked or withdrawn.

For a valid acceptance of a valid offer, there are certain essentials that are specified to under the Indian Contract Act 1872, section 7 and section 8 of the Indian Contract Act specify certain essentials that make an

acceptance or valid acceptance. Section 7 talks about an acceptance to be absolute. This section clarifies that an acceptance must be absolute, unqualified, and be expressed so explicitly or impliedly, unless as specified in the proposal, if the manner of expression is already mentioned in the proposal then the offeree must express his consent in that manner.

Section 8 talks about when an offer can be accepted without when an communication of such acceptance. The section says when the offeree performs the conditions mentioned in the offer or accepts the consideration for a reciprocal promise then the offer is said to be accepted.

(i) Acceptance should be absolute and unqualified

:- Section 7 talks about acceptance to be absolute and unqualified. There must neither be any condition in acceptance nor any variations to be made while accepting the offer. Any such variation or condition in the offer can constitute a counter-offer.

(ii) Acceptor has an intention to fulfill the

promise :- For an acceptance to be valid, it is necessary that the offeree is able

and willing to fulfil the promise. if the offeree has no intention to fulfil the promise then the acceptance is invalid.

(iii) Acceptance must be communicated : To constitute a valid acceptance, the offeree shall communicate his acceptance to the offeror. mere mental acceptance cannot be a valid acceptance. The communication can be the expressed or implied. However, if the offer is such that the offeree has to act upon then by mere acting upon the offer, the offer is said to be accepted.

(iv) Acceptance must be in the mode prescribed : The mode of communication of acceptance shall be done in the manner prescribed in the offer. if in case the mode of acceptance is not specified then the acceptance be communicated in a usual and reasonable manner. if the mode of acceptance is mentioned and the offeree communicates the acceptance from the offeror then it is deemed to be accepted.

Answer to the question no-6

The capacity of parties in contract Act-1872 these are given below:- one of the most essential elements of a valid contract is the competence of parties to make a contract. Section 11 of the Indian Contract Act, 1872, defines the capacity to contract of a person to be dependent on three aspects: attaining the age of majority, being of sound mind, and not disqualified from entering into a contract by any law that he is subject to. In this article, we will look at all aspects in a detailed manner.

Capacity to contract:- According to Section 11, 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 of sound mind and is not disqualified from contracting by any law to which he is subject.

So, we have three main aspects;

- (i) Attaining the age of majority
- (ii) Being of sound mind

(iii) Not disqualified from entering into a contract by any law that he is subject to.

(i) Attaining the age of majority :- According to the Indian Majority Act 1875, the age of majority in India is defined as 18 years. For the purpose of entering into a contract, even a day less than this age disqualifies the person from being a party to the contract. Any person, domiciled in India, who has not attained the age of 18 years is termed as a minor.

(ii) Person of sound mind :- According to section 12 of the Indian Contract Act, 1872 for the purpose of entering into a contract, a person is said to be of sound mind if he is capable of understanding the contract and being able to assess its effects upon his interests.

It is important to note that a person who is usually of an unsound mind but becomes occasionally of a sound mind, can enter a contract when he is of sound mind.

No person can enter a contract when he is of unsound mind, even if he is so temporarily. A contract made by a

Person of an unsound mind is void.

(iii) Disqualified persons

:- Apart from minors and people with unsound mind, there are other people who cannot enter into a contract. do not have the capacity to contract. The reasons for disqualification can include, Political status, legal status etc. Some such persons are foreign sovereigns and ambassadors, alien enemy, convicts, insolvents etc.

Section 12 of the Indian Contract Act, 1872 defines sound mind for the purpose of contract. It states, A person is said to be of sound mind for the purpose of making a contract, if at the time when he makes it he is capable of understanding it and of forming a rational judgment as to its effect upon his interests. It implies that persons, who are unable to understand the nature of a contract and its consequences while making the contract, would be deemed as of unsound mind. The condition may be of a temporary or a permanent nature.

Answer to the question no-7

The essentials of a valid contract there are given below:- contract forms the backbone of society by establishing trust and minimizing risks between parties. A contract is the exchange of an actor promise between two or more individuals where one individual offers the other some form of value in exchange for something in return. Contracts are not always money related, as they often relate to the specific to performance of certain obligations or the agreements not to carry out certain acts. To provide a full picture of what makes a valid agreement, we will cover two important areas in contract.

Six essential elements of a valid contract there are given below :-

(i) offer :- offer and acceptance analysis form the basis of contract law and the formation of a valid contract. Developed in the 19th century, the offer and acceptance formula identifies the point of formation where the parties are of one mind.

(ii) Acceptance :- Acceptance is an agreement to the specific terms of an offer. A partner at max mile law, LLC explains

that there is not one way of validity to accepting a contract - generally, an offer can be accepted in any reasonable medium as long as the country or state does not require any specific form.

(iii) Intention to create legal relations :- An agreement does not need to be worked out in meticulous detail to become a contract. However, an agreement may be incomplete where the parties have agreed on essential matters of detail but have not agreed on other important points.

(iv) Consideration :- As Nelson Johnson, an attorney at Lowry and Menez, has put it, if there is no consideration, there is no contract. Without consideration, the contract is both unenforceable at equity and in law.

(v) Legality and capacity :- A contract is illegal if the agreement relates to an illegal purpose. For instance, a contract for murder or a contract to defraud the inland revenue department is both illegal and would therefore void contracts that are unenforceable.

(vi) Certainty :- A valid contract requires reasonable certainty for the essential terms. If the parties fail to reach an agreement on the essential terms with reasonable certainty, then it may be contract void even if all other essential elements are present.