



Victoria University of Bangladesh

Assessment Topic:

Mid Assessment

Course Title: Legal Environment of Business

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Submitted To:

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Ans: to the question no - 01

★ Ans:- Define the term Law:- The term 'Law' denotes different kinds of rules and Principles. Law is an instrument which regulates human behavior. Law means Justice, Morality, Reason, Order, and Righteous from the view point of the society. Law means statutes, Acts, Rules, Regulations, orders and ordinances from point of view of legislature. Law means Rules of Court, Decrees, Judgment, orders of courts and Injunctions from the point of view of judges.

Law of Contract - Definition - Classification of Contracts - essential elements of a contract - Remedies for breach of contract.

/ In the words of Salmond, " Law is the body of Principles recognized and applied by the state in the administration of justice".

/ Woodrow Wilson has defined Law as, " that portion of the established habit and thought of mankind which has gained distinct and formal recognition in the shape of uniform rules backed by the authority and power of the government".

1 Law is not static

1 Laws are changed to fit the requirement of the society.

1 Law prevailing in a society at any point of time must be in conformity with the general sentiments, character and aspirations of its people.

* Different objects of Law:- ① The object of Law is order and the result of order is that men are enabled to look ahead with some sort of security as to the future.

② In the context of new emerging India, the main object of Law is considered to be "to establish socio-economic justice and remove the existence imbalance in the socio-economic structure.

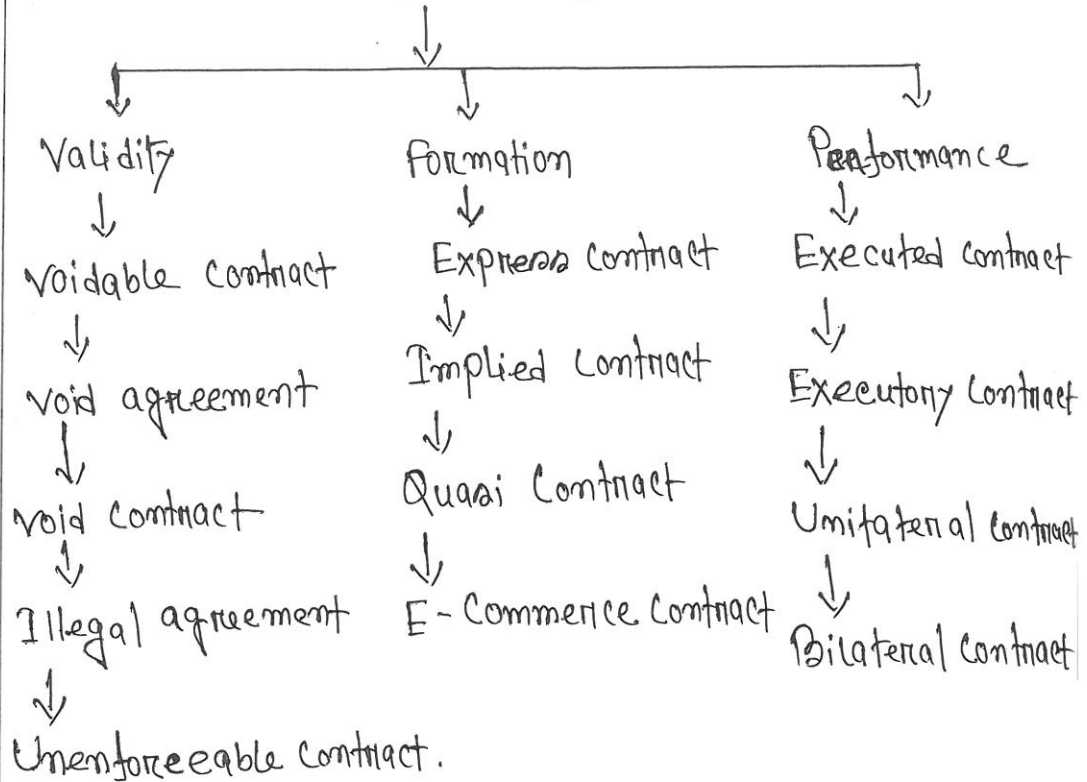
③ In the pre-independence era, the principal concern of the government was limited to the maintenance of Law order in the country.

* ④ The situation has changed now and the fundamental task of broadening the horizons of the welfare state is being pursued by the legislation covering the entire gamut of social activity.

* Classification of contract: - Classification of contract

there are below -

Classification of Contract



* There are three main classification Contract -

- ① validity
- ② formation
- ③ Performance.

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* Validity:- There are five validity Contract are -

① Voidable Contract- an agreement which is enforceable by law at the option of one or more parties there to, but not at the option of the other or others is a voidable contract.

② Void agreement:- An agreement not enforceable by law is said to be void.
/ A void agreement does not create any legal rights or obligations.

③ Void Contract:- A contract which ceases to be enforceable by law becomes void when it ceases to be enforceable.

④ Illegal Agreement:- An illegal agreement is one which transgresses some rules or basic public policy or which is criminal in nature or which is immoral. All illegal agreements are void but all void agreements are not necessarily illegal.

⑤ Unenforceable Contract:- An unenforceable contract is one which cannot be enforced in court of law because of some technical defect such as absence of writing etc.

* Formation:- There are four formation classification contract -

(a) Express Contract:- If the terms of contract expressly agreed upon at the time of formation of the contract, the contract is said to be an express contract.

(b) Implied Contract:- An implied contract is one which is inferred from the acts or conduct of the parties or course of dealings between them.

(c) Quasi Contract:- A quasi contract is not a contract at all. A contract is intentionally entered into by the parties. A quasi contract is created by law.

(d) E-Commerce Contract:- The contract which is entered into between two parties via internet contract is called E-commerce contract.

* Performance:- There are four ^{Performance} classification contract \Rightarrow

(a) Executed Contract:- Executed means that which is done. If both the parties have performed their obligations, they are executed contracts.

(b) Executory Contract:- Both the parties have yet to perform their obligations. It may sometimes partly executed and partly executory.

(c) Unilateral:- When only one party has to fulfill his obligation at the time of the formation of the contract, the other party having fulfilled his obligation at the time of the contract or before the contract comes into existence.

(d) Bilateral Contract:- The obligation on the part of both the parties the contract is outstanding at the time of formation of the contract.

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Ans: to the question no-02

Ans: - known as Contract: -

A Contract is an agreement between parties, creating mutual obligations that are enforceable by law. The basic elements required for the agreement to be a legally enforceable contract are mutual assent, expressed by a valid offer and acceptance, adequate consideration, capacity and legality.

Contract of indemnity - A contract by which one party promises to save the other from loss caused to him by the conduct of the promisor himself or by the conduct of any other person is called a contract of indemnity.

* Essential elements of a valid Contract: -

There are nine essential elements an agreement must have to be considered a valid contract. The elements of a contract include are -

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- ① Offer and acceptance
- ② Intention to create legal relationship
- ③ Lawful consideration
- ④ Capacity of parties - competency.
- ⑤ Free and genuine consent
- ⑥ Lawful object
- ⑦ Agreement not declared void.
- ⑧ Certainty and possibility of performance
- ⑨ Legal formalities.

* ① Offer and acceptance:- There are must two parties to an agreement - one party makes the offer and other party accept it. The terms of the offer must be definite and the acceptance of the offer must be absolute and unconditional.

/ The acceptance must be according to the mode prescribed and must be communicated to the offeror.

* ② Intention of create legal relationship:- When two parties enter into an agreement, their intention must to be create legal relationship between them.

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1 If there is no such intention on the part of the parties, there is no contract between them

1 Agreements of social or domestic nature do not contemplate legal relationship as such they are not contracts.

* ③ Lawful consideration:- Consideration means an advantage or benefit moving from one party to the other. It is the essence of a bargain "Something in return".

* ④ Capacity of parties - competency:- The parties to the agreement must be capable of entering into a valid contract every person is competent to contract if he is of the age of majority, is of sound mind and is not disqualified from contracting by any law to which is subject.

* ⑤ Free and genuine consent:- It is essential to the creation of every contract that there must be free and genuine consent of the parties to the agreement. The consent of the parties is said to be free when they are of the same mind on all the material terms of the contract.

* ⑥ Lawful object:- The object must not be

I Illegal

II Immoral

III Opposed to public policy

If an agreement suffers from any legal flaw it would not be enforceable by law.

* ⑦ Agreement not declared void:- The agreement must not have been expressly declared void by law in force in the country.

* ⑧ Certainty and possibility of performance:- The agreement must be certain and not vague or indefinite, if not it cannot be enforced.

* ⑨ Legal formalities:- A contract may be made by words spoken or written.

II As regards the legal effects there is no difference between a contract in writing and a contract made by word of mouth.

III In the interest of parties the contract should be in writing.

III The documents in which the contract is incorporated is to be stamped.

Ans: to the question no-03

★ Ans:- Following topics there are discuss below -

★ Offer:- An offer is a statement of terms under which the offeror agrees to be bound. The offeror promises to do something or refrain from doing something in return for a promise from the offeree.

There must be two parties to an agreement

① One party makes the offer and other party accepts it.

② The terms of the offer must be definite and the acceptance of the offer must be absolute and unconditional.

The acceptance must be according to the mode prescribed and must be communicated to the offeror.

★ Agreement:- An agreement in the context of contract law, refers to a meeting of the minds of two or more parties and at which point a contract is formed. A contract becomes the legally enforceable agreement between the two or more parties with enforceable obligations and promises. Contracts can be oral, written or partly oral and partly written. In order for a contract to be legally enforceable a contract must contain the following essential elements -

- An offer is made
- The offer is accepted

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ii There is an intention between the parties to create binding legal relations.

iii The parties had a legal capacity to contract.

* Legal Relationship:- Legal relationship are two parties enter into an agreement, their intention must to be ~~not~~ create legal relationship between them.

1 If there is no such intention on the part of the parties, there is no contract between them

ii Agreements of social or domestic nature do not contemplate legal relationship as such they are not contracts.

* Lawful Consideration:- Consideration means an advantage or benefit moving from one party to the other. It is the essence of a bargain "something in return". A promise to do something and getting nothing in return is usually not enforceable by law. Consideration need not necessarily be in cash or kind it may be an act or promise to do or not to do something. It may be past, present or future. It must be real and lawful.

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* Quasi Contract:— A quasi contract is not a contract at all. A contract is intentionally entered into by the parties. A quasi contract is created by law. It resembles a contract in that a legal obligation is imposed on a party who is required to perform it.

* E-Commerce:— E-Commerce contract which is entered into between two parties via internet is called E-Commerce contract.

* Acceptance:— The terms of the offer must be definite and the acceptance of the offer must be absolute and unconditional. The acceptance must be according to the mode prescribed and must be communicated to the offeror.

* Contract of Bailment:— Bailment contract the obligation on the part of both the parties the contract is outstanding at the time of formation of the contract. (Executory contracts)

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Ans: to the question no - 06

* Ans:- Different rights of Indemnity Holder and Indemnifier discussed there are below —

* An Indemnity holder acting within the scope of his authority is entitled to the following rights —

① Right to recover damages — he is entitled to recover all damages which he might have been compelled to pay in any suit in respect of any matter covered by the contract.

② Right to recover costs — he is entitled to recover all costs incidental to the institution and defending of the suit.

③ Right to recover sums paid under compromise — he is entitled to recover all amounts which he had paid under the terms of the compromise of such suit.

④ Right to sue for specific performance — he is entitled to sue for specific performance if he has incurred absolute liability and the contract covers such liability. The promisee in a contract of indemnity, acting within the scope of his authority, is entitled to recover from the ~~the~~ promisor.

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It is important to note here that the right to indemnity cannot be claimed if dishonesty, lack of good faith and contravention of the promisor's request.

* Right of Indemnifier:-

The right of the indemnified and is quite silent of the rights of indemnifier as if the indemnifier has no rights but only liability towards the indemnified.

In the logical state of things if we read which deals with the rights of surety we can easily conclude that the indemnifier's right would also be same as that of surety. Where one person has agreed to indemnify the other. he will on making good the indemnity, be entitled to succeed to all the ways and means by which the person indemnified might have protected himself against himself for the loss.

Principle of Subrogation is applicable because it is an essential part of law of indemnity and is based on equity and the Contract Act contains no provision in contravention. ~~etc~~

Ans: to the question no-07

* Ans: Termination of Bailment:- There are four termination of Bailment contract by any of the following —

① Accomplished of purpose.

② Expiry of time.

③ Death of the party.

④ Bailor's inconsistent.

* Accomplished of purpose:- When the purpose for which goods were bailed has been accomplished, the contract of bailment is terminated and goods are returned to the bailor.

* Expiry of Time:- When the goods are bailed for a fixed time, the contract of bailment is terminated at the expiry of the time fixed.

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* Death of the party:- Death of the party a gratuitous bailment is terminated by the death either of the bailor. Death of the party takes a look at mysterious murder stories linked to house parties, banquets, concerts, festivals or events. There is no environment like a party to create the perfect recipe for cold blooded murder.

* Bailee's Inconsistent Act:- A contract of bailment is voidable (terminated) at the option of the bailee if he does any act with regard to the goods bailed which is inconsistent with the conditions of the bailment.