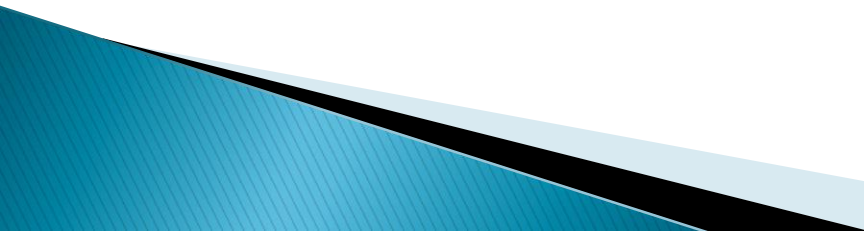
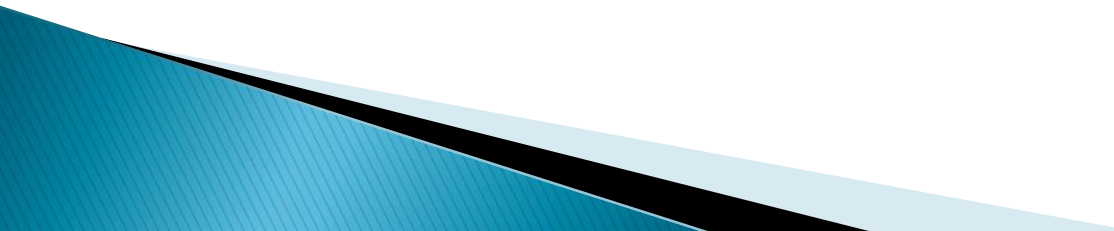




# INTRODUCTION

- ▶ Freedom is the birth right of man and he derives utmost pleasure in its existence.
  - ▶ Man is a social animal and he has to surrender a part of his freedom to the society.
  - ▶ Society need to ensure safety, security and peace.
  - ▶ Society lays down rules of conduct for the common good.
  - ▶ Gradually , society began to take deterrent measures against wrong-doers and provide remedy to the injured ones.
- 

# LAW

- ▶ Law is a body of rules that are used for regulating the conduct of the members of a society.
  - ▶ Every society frames the rules according to its needs.
  - ▶ The existence of law is necessary for the maintenance of peace and order in the society.
  - ▶ The main object of law is to establish socio-economic justice and remove the existing imbalance in the socio-economic structure.
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# DEFINITION OF LAW

“ Law is **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.”

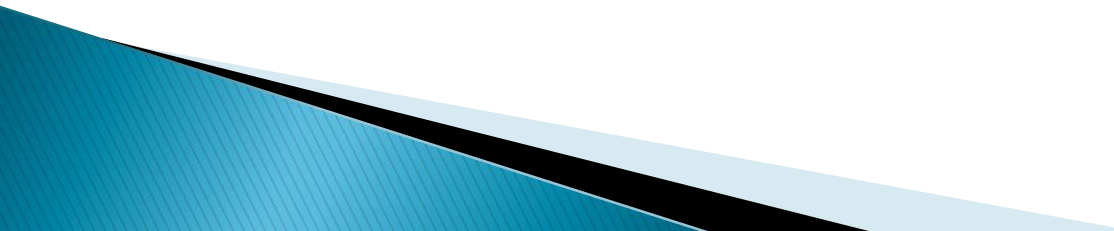
– Woodrow Wilson

“ Law is a rule of conduct imposed and enforced by the sovereign.”

– Austin



# BRANCHES OF LAW

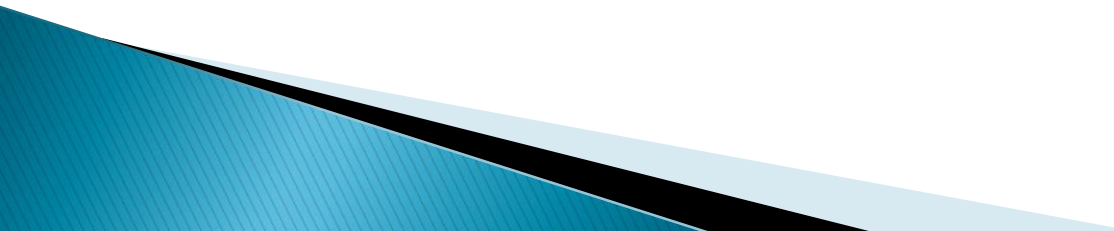
1. Civil Law
  2. Criminal Law
  3. Constitutional Law
  4. International Law
  5. Industrial Law
  6. Mercantile Law.
- 

# MERCANTILE LAW

- ▶ Mercantile law also known as Commercial law or Business Law.
- ▶ It is that branch of law which governs and regulates the trade and commerce.
- ▶ It deals with the rights and obligations arising out of mercantile transactions between mercantile persons.



# SOURCES OF MERCANTILE LAW IN INDIA

- ▶ English Mercantile law
  - ▶ Precedents (past judicial decisions)
  - ▶ Local customs and usages
  - ▶ Indian Statute Law (Acts of Indian Legislature)
- 

# SUB-DIVISIONS OF MERCANTILE LAW



Law of Contract



Law of Sale of Goods



Law of Partnership



Law of Negotiable Instruments



Law of Arbitration



Law of Insolvency



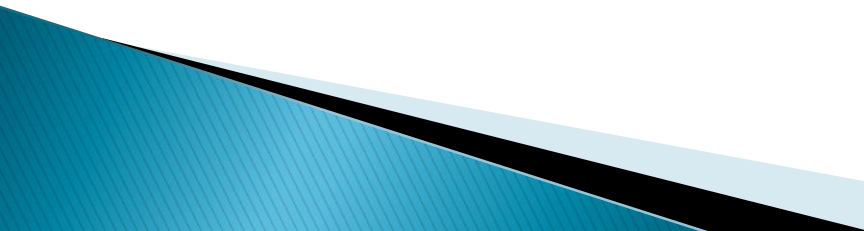
Law of Carriage of Goods



Law of Insurance



# LAW OF CONTRACT

- ▶ The Law of Contract deals with the law relating to the general principles of the contract.
  - ▶ It affects every person in one way or the other.
  - ▶ All the business transactions are based on the contract.
  - ▶ The Law of Contract determines the circumstances under which a promise or an agreement shall be legally binding on the person making it.
  - ▶ It also provides the remedies which are available in a court of Law against a person who fails to fulfil his contracts and other conditions
- 

# DEFINITION OF CONTRACT

- ▶ A Contract may be defined as an agreement between two or more persons which can be enforced in a court of law.
- ▶ “Every agreement and promise enforceable at law is a contract.” – Pollock
- ▶ “A contract is an agreement creating and defining obligations between the parties” – Salmond
- ▶ “A Contract is an agreement between two or more persons which is intended to be enforceable at law and is constituted by the acceptance by one party of an offer made to him by the other party to do or abstain from doing some act.” – Halsbury.

# Section 2(h) of the Indian contract Act, 1872

- ▶ “AN AGREEMENT ENFORCEABLE BY LAW IS A CONTRACT”
  
  - ▶ Analysis of the definition
  - ▶ reveals that a contract must have the following two elements:
    1. An Agreement,
    2. The agreement must be enforceable by law
- CONTRACT= AN AGREEMENT+  
ENFORCEABILITY

# THE INDIAN CONTRACT ACT – 1872

## SECTION 2(e)

- “Every promise and every set of promises forming the consideration for each other’ is an agreement.”

## SECTION 2(b)

- “A Proposal when accepted becomes a promise”.

## SECTION 10

- “All contracts have the free consent of the parties competent to contract, for a lawful consideration and with a lawful object and are not expressed to be void”.

# ESSENTIAL ELEMENTS OF A VALID CONTRACT

1. Offer and acceptance
2. Intentions to create legal relations
3. Lawful consideration
4. Capacity of parties
5. Free and genuine consent
6. Lawful object
7. Agreement not declared void
8. Certainty and Possibility of Performance
9. Legal formalities.



A hand is shown from the bottom right, palm up, holding a glowing, translucent sphere. The sphere has a bright white center that fades to a light grey at the edges. Inside the sphere, the words "THANK YOU" are written in a bold, black, sans-serif font, centered on two lines. The background is a plain, light grey surface.

**THANK  
YOU**