[ENVILLE POLYTECHNIC](https://envillepoly.edu.ng/)

4, Osho Street (Opebi-Oregun Link Road) Ikeja

COURSE TITTLE: INTRODUCTION TO LAW

COURSE CODE: BAM 113

GROUP MEMBERS(C)

|  |  |  |
| --- | --- | --- |
| S/N | NAME | MATRIC NO |
| 1 | AJIBODE TEMITOPE | F23/ ND43005 |
| 2 | OWOLABI ABRAHAM | F23/ ND43009 |
| 3 | SAMUEL GOODNEWS | F23/ ND43010 |

**QUESTION:**

1. DISCUSS LAW OF CONTRACT

LECTURER : MR OTEH FRANCIS

Date:27 Feb,2024

**LAW**

Law is a set of rules that are created and are enforceable by social or governmental institutions to regulate behavior, with its precise definition a matter of longstanding debate

**CONTRACT LAW**

The contract law definition refers to the governing body that will enforce and interpret contractual agreements

**EXAMPLE OF LAW OF CONTRACT**

A contract is an agreement between two parties that creates an obligation to perform (or not perform) a particular duty.

**TYPES OF CONTRACTS UNDER THE LAW OF CONTRACT:**

1. Express Contracts: Express contracts are formed through explicit agreement, either orally or in writing, where the parties clearly state the terms and conditions of the agreement. These contracts are based on the express intentions of the parties and are typically enforceable in accordance with their terms.
2. Implied Contracts: Implied contracts are not explicitly stated but are inferred from the conduct or circumstances of the parties. These contracts are based on the implied intention of the parties to enter into a legally binding agreement. Examples include implied-in-fact contracts and contracts implied by law (quasi-contracts).
3. Unilateral Contracts: Unilateral contracts involve a promise by one party in exchange for the performance of a specific act by the other party. The offeror makes a promise that they will pay or provide something upon completion of the requested act by the offeree. For example, a reward offer for the return of lost property is a unilateral contract.
4. Bilateral Contracts: Bilateral contracts involve mutual promises exchanged between the parties, where each party agrees to perform an act or provide something in exchange for the other party's promise. Most contracts fall under this category, where both parties make reciprocal promises.
5. Valid Contracts: Valid contracts meet all the legal requirements for formation, including offer, acceptance, consideration, capacity, legality, and consent. These contracts are enforceable by law, and the parties are obligated to fulfill their respective duties under the agreement.

**ADVANTAGES OF CONTRACT LAW:**

1. Certainty and Predictability: Contract law provides a clear framework for parties to define their rights, obligations, and expectations in a legally binding agreement. By establishing standardized rules and principles for contract formation, interpretation, and enforcement, contract law enhances certainty and predictability in commercial and personal transactions.
2. Freedom of Contract: Contract law respects parties' autonomy and freedom to enter into agreements on terms that suit their needs and preferences. Parties are generally free to negotiate and tailor contractual terms to their specific requirements, allowing for flexibility and customization in contractual relationships.
3. Enorceability of Promises: Contract law ensures that promises made between parties are legally enforceable, providing assurance that parties will honor their commitments or face legal consequences for breach of contract. This promotes trust, reliability, and accountability in business dealings and interpersonal relationships.
4. Economic Efficiency: Contract law facilitates efficient allocation of resources by enabling parties to engage in mutually beneficial transactions and allocate risks and responsibilities according to their preferences and capabilities. By providing incentives for parties to perform their contractual duties and fulfill their promises, contract law promotes economic activity, innovation, and investment
5. Protection of Rights: Contract law protects parties' rights and interests by providing legal remedies for breaches of contract. When one party fails to fulfill its contractual obligations, the other party may seek remedies such as damages, specific performance, or injunctions to enforce their rights and mitigate losses. This promotes fairness, equity, and access to justice in contractual relationships.

**DISADVANTAGES OF CONTRACT LAW:**

1. Complexity and Legal Formality: Contract law can be complex and formalistic, requiring precise language and adherence to legal formalities for contracts to be valid and enforceable. This complexity can make it challenging for individuals and businesses, particularly those without legal expertise, to navigate the intricacies of contract formation and interpretation.
2. Power Imbalance: In some contractual relationships, there may be a significant power imbalance between the parties, leading to unequal bargaining power. This can result in one party being disadvantaged or coerced into accepting unfavorable contract terms, particularly in situations where there is a lack of alternatives or competition.
3. Inequality of Resources: Access to legal resources and expertise may be unequal, with wealthier parties having greater resources to draft, negotiate, and enforce contracts effectively. This can disadvantage individuals or businesses with limited financial resources, who may be unable to afford legal representation or pursue legal remedies in case of contract disputes.
4. Adhesion Contracts: Adhesion contracts are standardized agreements offered on a "take it or leave it" basis, with little room for negotiation or modification of terms. These contracts are often used in consumer transactions and may contain terms that are one-sided or unfairly favorable to the stronger party, leaving the weaker party with limited options.
5. Unforeseen Circumstances: Contracts are based on the parties' expectations and assumptions at the time of agreement. However, unforeseen circumstances, such as changes in market conditions, technological advancements, or natural disasters, may render contractual obligations impractical or impossible to fulfill, leading to disputes and litigation.

**CAUSE OF CONTRACT LAW**

1. Facilitating Commerce: Contract law provides a legal framework that enables individuals and businesses to engage in commercial transactions with confidence. By establishing rules for the formation, interpretation, and enforcement of contracts, contract law promotes economic activity, facilitates trade, and supports the exchange of goods, services, and resources.
2. Protecting Autonomy and Freedom of Contract: Contract law respects the autonomy and freedom of individuals and entities to enter into agreements based on their own preferences, needs, and interests. It allows parties to negotiate and define their rights, obligations, and expectations in a legally binding manner, without undue interference from external parties.
3. Enforcing Promises and Expectations: Contract law ensures that promises made between parties are legally enforceable and that parties are held accountable for fulfilling their contractual obligations. By providing legal remedies for breaches of contract, contract law upholds the principle of pacta sunt servanda ("agreements must be kept") and promotes trust, reliability, and predictability in contractual relationships.
4. Allocating Risks and Responsibilities: Contract law enables parties to allocate risks and responsibilities associated with contractual agreements according to their preferences and capabilities. Through contractual provisions such as warranties, indemnities, limitations of liability, and force majeure clauses, parties can anticipate and address potential risks, uncertainties, and contingencies, thereby reducing uncertainty and facilitating informed decision-making.
5. Protecting Parties' Interests and Rights: Contract law protects parties' interests and rights by providing legal remedies for breaches of contract and ensuring that parties receive the benefits they bargained for under the terms of the agreement. By enforcing contractual rights and obligations, contract law promotes fairness, equity, and access to justice in contractual relationships.