

12 Types of legal contracts

Link the type of contract to its description.

Type	Description
1 Consultancy agreement	a This agreement is used to ensure the repayment of money borrowed, usually in monthly instalments.
2 Distribution agreement	b This agreement is used where one party buys goods from the manufacturer and re-sells them on his own account. He will however be given the right to use the manufacturer's intellectual property rights.
3 Franchise agreement	c This agreement sets out the terms and conditions on which a business supplies goods.
4 Loan agreement	d This agreement is used where one party grants to another the right to run a business in the name of the first party. Examples include Body Shop and McDonalds.
5 Manufacturing licence agreement	e This is the equivalent of a contract of employment for directors.
6 Terms and conditions of sale agreement	f This agreement is used where one party is providing services as an independent advisor to a company.
7 Contract of employment	g This agreement should be used where one party (the licensor) owns intellectual property rights in respect of a product it has developed and wishes to license the manufacture of the product to a third party.
8 Directors' service agreement	h This is intended to govern the relationship between a number of shareholders in a company. The agreement works as a second layer of protection preventing the company from being run in a manner other than has been agreed.
9 Shareholders' agreement	i This contract comes into existence as soon as a job offer is accepted whether that offer is oral or in writing.



There are many types of legal contracts which create a legal relationship between individuals and between companies and individuals.