11 Introduction to the law of contract

Here is a brief summary of the law of contract. Complete the texts using the words in the box.

agreement	breach	capacity	consideration	damages	fraud	
illegal	~~obligation~~	oral	performance	property	signed	terms

What is a contract?

It is an agreement that creates a binding (1) *obligation* upon the parties. The essentials of a contract are as follows: mutual (2) _____ ; a legal (3) _____ , which in most instances need not be financial; parties who have legal (4) _____ to make a contract; absence of (5) _____ or duress; and a subject matter that is not (6) _____ or against public policy.

What form does a contract take?

In general, contracts may be either (7) _____ or written. Certain types of contracts, however, in order to be enforceable, must be written and (8) _____ . These include contracts involving the sale and transfer of (9) _____ .

How does a contract end?

In case of a (10) _____ of contract, the injured party may go to court to sue for financial compensation (or (11) _____), or for rescission, for injunction, or for specific performance if financial compensation would not compensate for the breach. Specific (12) _____ of a contract is the right by one contracting party to have the other contracting party perform the contract according to the precise (13) _____ agreed.

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