**Contract Law**

Obligations – contract law

– law of torts

- the aim / purpose of contract law:

* Legal support to the agreement
* Remedy – in the case of breach *– naprava, nie vzdy nahrada skody*
  + Damages – monetary compensation
  + Performance – *plnenie, nuteny vykon povinnosti*

**Contract:**

1. Legally binding agreement
2. Between at least two parties
3. Which generates mutual rights and obligations

**Classification of contracts:**



* **Contracts by deed** – ancient

- conditions:

- written form

- signed

- witnessed

- delivered

* **Simple contracts** – all contracts that don’t meet conditions above



* **Express** – contracts, that are inferred from the writings and oral statements of the parties
* **Implied** – inferred from the conduct (behavior) of the parties



* **Bilateral** – promise exchanged for a promise – e.g. sale
* **Unilateral** – promise exchanged for an act – e.g. reward, no promise in return

**Formation of Contract:**

**1) Offer**

* Definite in terms
* Can be carried out (made) by any method
* To anyone
* The offeree must know about the offer

Termination of the offer

1. By acceptance / refusal
2. Making a counter offer
3. Revocation
4. Lapse of time

- provided by the offeror

- reasonable time

1. Death of the offeror
2. The item is destroyed or damaged

**2) Acceptance**

* Required form
* If not, than any effective form

- unilateral c. – no formal declaration of acceptance

- the acceptance of the offer must be absolute and unconditional

**3) Consideration** – both contractual parties must provide something

Must be:

1. Sufficient – it must have some economic value
2. Past consideration is not acceptable
3. The consideration must come from the promise
4. Duty imposed by law is not accepted as consideration

**4) The contractual capacity**

* Adults have a full contractual capacity (if not mentally ill, intoxicated)
* Minors:

- binding contracts – contracts for sale of necessities

– for employment, education and training

- voidable contracts – it is up to the minor to decide if the contract is valid or not

- valid until made void by the minor

**5) Intention**

**+** seriousness

* Domestic and social agreements

- formed between members of family and friends

**- presumed to be** **non-binding unless rebutted**

* Business agreements / contracts

**- presumed to be binding unless rebutted**