

A contract may be:

- written; or
- oral (spoken); or
- in the form of a **deed**.

A deed is sometimes called a **contract under seal**. It is a special contract that is legal even though one of the parties has not provided consideration. A promise of a gift or **donation** for example, can be a valid contract if the agreement takes the form of a

deed. An oral contract is binding according to English law. Even if a contract involves a large **sum** of money, it is still valid if it is not written.

When a contract comes to an end we say that the contract is **discharged**. If the contract is discharged because one of the parties does not fulfil their obligations it is called a **breach**. If one party breaches the contract the **injured party** can sue the **party in breach**. The injured party is the claimant and the party in breach is the defendant.

a	Acts of Parliament concerning contract law are to protect the public and they do not affect businesses at all.	True	False
b	If a contract is void it will not be enforceable by a court.	True	False
c	If I sign a contract after drinking a whole bottle of wine and three beers the contract might not be valid.	True	False
d	In very special circumstances it is possible to have a contract where one of the parties does not provide consideration.	True	False
e	The injured party and the party in breach are the same person.	True	False

Exercise 2

Choose a word or phrase from the key vocabulary in Exercise 1 to complete the sentences below.

- a You are only 16 years old so you do not have _____ to contract.
- b A contract that is valid even though one of the parties has not provided consideration usually takes the form of a contract under _____.
- c We made an oral contract and even though it involves a very large _____ of money it does not need to be in writing to be valid.
- d There are various ways in which a contract can be _____, including performance of all duties or breach.
- e If a contract is binding then it is _____ by a court.
- f You did not fulfil your obligations under this contract and as the _____ I have the right to sue you for breach.
- g Did you sign the contract _____ or was it signed under duress?
- h One of the terms of this contract is _____ the Sale of Goods Act and the term is therefore not valid.
- i If I promise to make a _____ to a person or an organisation it is a legally binding contract if the agreement takes the form of a deed.
- j Any private agreement must _____ all relevant law, including Acts of Parliament.