



Helicopter View - Indian

Contract Act - Unit 2

What is
Consideration

Legal Rules Regarding Consideration

Consideration Must Move at desire of
Promisor

- Consideration May Move From Promisee or any other Person
- Executed Consideration and Executory Consideration
- Consideration May be Past/Present/Future
- Consideration Need not be adequate
- Performance of what one is legally bound to perform.
- Consideration Must be Real and not Illusory
- Consideration Must not be Unlawful, Immoral (or) oppose to Public Policy.

Cases when Third Party Can Sue

Validity of an Agreement without Consideration.

- Trust
- Family Settlement
- Marriage Contract Agreements
- Assignment
- Acknowledgment/ Estoppel
- Covenant running with land
- Contract through Agent

- Natural Love and Affection
- Compensation of Past Voluntary Services
- Promised to pay Time Barred debts
- Agency
- Completed Gift
- Bailment
- Charity.