

# Introduction to business law exam study notes

## Chapter 5- Making Deals

Intro:

- All businesses engage in transactions
- Business/person making the deal is called 'party', agreements called 'deals'
- Example of significant transactions to businesses:  
Buying/selling goods equipment or services, employing workers, borrowing or lending money
- Whenever anyone makes a deal it is essential that they be able to trust the other party, to do what they had promised to do.
- When one of the parties to a deal makes a false statement or fails to what they had promised to, it is the law of contract that entitles the other party to enforce the deal, to be paid compensation or receive some other form of civil remedy.

Form of contracts:

- May be created or enforced by the courts
- Written agreement
- Verbal agreement
- Conduct by the parties-> clearly indicates a binding transaction has taken place for e.g. the act of purchasing an item from a store.

Contracts:

- Define-> an agreement between two or more persons that is legally enforceable.
- Requirements to establish a contract:

AGREEMENT + INTENTION + CONSIDERATION = CONTRACT

- *Must pay a price/ make a promise*

- Contracts do not need to be in writing, most are verbal.
- Requirement 1: Agreement