



English for Law: Contracts

1. Warm-up discussion

- What is a contract?
 - Do all agreements count as contracts? Why or why not?
 - Can you think of a famous case involving a contract dispute?
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2. Read the text

What Makes a Contract Valid?

A contract is a legally binding agreement between two or more parties. For a contract to be valid, it usually requires the following elements:

1. **Offer** – one party proposes terms.
2. **Acceptance** – the other party agrees to those terms.
3. **Consideration** – something of value is exchanged (e.g., money, services).
4. **Intention to create legal relations** – both parties must intend the agreement to be legally enforceable.
5. **Capacity** – the parties must have the legal ability to enter into a contract (e.g., age, mental competence).

If one of these elements is missing, the agreement may not be enforceable. For example, a promise made as a joke is not usually considered a valid contract.



Reading: Understanding Contracts

Contracts are at the heart of almost every area of law and business. They provide a framework that allows individuals, companies, and governments to cooperate and exchange goods, services, or promises in a reliable way. Without contracts, modern economies could not function.

A **contract** is more than just an agreement; it is an agreement recognized and enforceable by law. For a contract to be valid, it usually needs several key elements: **offer, acceptance, consideration, intention to create legal relations, and capacity**. Let's look at these more closely.

An **offer** is a clear statement of terms by one party. For example, a shopkeeper offering to sell a watch for \$100 is making an offer. **Acceptance** occurs when the other party agrees to those terms without changes. If the customer says, "I'll buy the watch for \$80," this is not acceptance but a counter-offer.

Consideration is another essential element. It means that something of value must pass between the parties. This could be money, goods, services, or even a promise to do (or not do) something. Importantly, the law does not usually judge the adequacy of consideration—it only requires that something of value is exchanged.

Next, the parties must have the **intention to create legal relations**. Social agreements, such as promising to meet a friend for dinner, are generally not enforceable contracts. By contrast, agreements in a business setting are usually presumed to have legal intent.

Finally, **capacity** refers to the legal ability of the parties to enter into contracts. Minors, people suffering from mental incapacity, or individuals under the influence of drugs or alcohol may lack capacity. If so, the contract could be invalid.

Disputes often arise when one party claims that the contract is invalid, or when one side fails to perform their obligations. Courts then examine whether the elements of a contract are present and whether the agreement should be enforced.



Open Questions

1. Why do you think contracts are considered essential for modern economies?
2. Should the law intervene if one party makes a “bad deal” (e.g., selling something valuable for a very low price)? Why or why not?
3. In your opinion, which element of a contract is most likely to cause disputes, and why?
4. Do you think social agreements (like promises between friends or family) should ever be enforceable as contracts? Give reasons.
5. Imagine a situation where someone signs a contract while under pressure or threat. Should that contract be valid? Explain your reasoning.

3. Comprehension & Vocabulary Exercises

A. True or False

1. A contract always requires a written document.
2. Consideration means that both parties exchange something of value.
3. An agreement made as a joke is usually a valid contract.

B. Vocabulary Match

Match the words with their meanings:

1. Offer
2. Acceptance
3. Consideration
4. Capacity

- a) Something of value exchanged
 - b) Ability to enter into an agreement
 - c) Agreement to the terms proposed
 - d) Proposal of terms
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4. Case study

Anna promises to sell her old laptop to Ben for \$200. Ben agrees and pays the money. Later, Anna changes her mind and wants to keep the laptop.

- Is there a valid contract here? Why or why not?
- What are the possible legal consequences?

DISCUSS.

5. Discussion

- Should oral agreements be as binding as written contracts?
 - Do you think all contracts should require witnesses? Why/why not?
 - What is the most important element of a contract in your opinion?
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6. Summary

Today we learned the **five essential elements of a valid contract**, practiced key vocabulary, and applied legal reasoning to a short case study.

7. Homework

Write 150 words: Describe a real or imaginary situation where a contract dispute might happen. Explain which elements of a valid contract are involved and whether the contract would be enforceable.
