**Agreement**

**Definition:** Section 2 (e) of the Contract Act, 1872 defines agreement as-

**“Every promise and every set of promises forming the consideration for each other, is an agreement.”**

Thus an agreement is composed of two elements-offer and acceptance.

There are essentially to be two parties to an agreement. They both must be thinking of the same thing in the same sense.

**Void agreement**

**Definition**: All agreements may not be enforceable at law. Only those agreements which fulfill the essentials laid down in section 10 can be enforced. The Contract Act, 1872 specifically declares certain agreements to be void. According to section 2 (g), an agreement not enforceable by law is void. Such an agreement does not give rise to any legal consequences and is void ab initio.

**Example:** A and B contract to marry each other. Before the time fixed for the marriage, A goes mad. The contacts become void. Because an agreementmade by lunatic is void.

**Voidable agreement**

**Definition:** Section 2(i) of the Contract Act 1872, defines voidable agreement. The act said that-

**“An agreement which is enforceable by law at the option of one or more of the parties thereto but not at the option of the other or others, is a voidable contract.”**

**Example:**

1. X threatens to kill Y if he does not sell his new Ambassador car to X for Tk. 12,000. Y agrees. The contract has been brought about by coercion and is voidable at the option of Y, i.e. the aggrieved party.
2. A, with the intention to deceive B, falsely represents that fifty lakh bag cement are made annually at A’s factory, and thereby induces B to by the factory. The contract has been caused by fraud and as such is voidable at the option B.

**Difference between voidable contract and void agreement**

There are some differences between voidable contract and void agreement. Those are discussed below-

1. A void agreement has from the very beginning no legal effects. It is unenforceable at law. A voidable contract is one which of the parties may affirm or reject at his option. It is valid and enforceable till it is repudiated or rescinded.

2. The defect in the case of voidable contract is curable and may be condoned. But a void agreement is void ab initio and its defects are incurable.

3. In the case of a voidagreement even a third party can not acquire any right from person claiming under such contract while in the case of voidable contract, a third party can acquire a valid title from a person claiming under such a contract.

4. Since a void agreement in unenforceable at law there does not arise any question of compensation on account of the non-performance of the agreement. But in case of a voidable contract, a person is entitled to compensation for loss or damage suffered by him on account of the non-performance of the contract.

5. A voidable contract does not affect the collateral transaction. But where the agreement is void on account of illegality of the object, the collateral transaction will also become void.

**All contracts are agreements but all agreements are not contract**

All agreements are not contracts but all contractsare agreement. Only those agreements which are enforceable at law are contracts. **Section 2(h) of the Contract Act says that, “an agreement enforceable by law is a contract”.** So essential elements of a valid contract are that-

i. There must be an agreement

ii. That agreement must be enforceable by law.

Agreements which is an unlawful, immoral or illegal act, for example, smuggling or murdering a person, cannot beenforceable at law. Besides, certain agreementshavebeen specifically declared void or unenforceable under the Contract Act.

For instance, an agreement to bet (Wagering agreement) (section 30), an agreement in restraint of trade (section 27), an agreement to do an impossible act (section 56).

**Difference between contract and agreement**

Section 2(e) of the Contract Act, 1872 defines agreement as-

“Every promise and every set of promises forming the consideration for each other, is an agreement”.

**Definition of contract:** According to Section 2 (h) of the Contract Act, 1872-

**“An agreement enforceable by law is a contract”.**

Contract is a legal agreement between two or more entities, enforcing an obligation to do something or to refrain from doing certain things. But all legal agreements are not contracts. Contract and agreement are a part of life. As we enter into contracts and agreements essentially in many aspects of our life, we need to know the difference between those two terms.

**1.** Agreement consists of an offer and an acceptance. A valid contract must include certain elements in addition to an agreement. For Example, Consideration, capacity, and legality. A valid contract must be enforceable, voidable, or unenforceable 9due to technicality). A “Void” contract is tantamount to no contract.

**2.** An agreement is an informal compromise between two or more parties, which may or may not be legally binding. A contract is a legally-binding agreement that is entered into voluntarily by two or more parties, with the intention of creating one or more legal obligations among them.

**3.** While a contract is an agreement that is legally enforceable, an agreement may or may not be legally enforceable. Thus, a contract is an agreement, but an agreement does not necessarily mean it is a contract.

**4.** Contract starts when there is an offer and acceptance, whereas it is not necessary for an agreement to be started from offer and acceptance.

After considering the above discussion we can say that Contract and Agreements are created with the same purpose of creating a formal agreement between parties.The difference lies in the formality of the contract and the personalization of an agreement.

**List of void contracts**

According to Contracts Law 1872

The following agreements have been expressly declared as void by the Contract Act 1872-

**1.** Agreement made by incompetent parties (Sec 10 & 11)

**2.** Agreement made under a mutual mistake of fact (Section 20)

**3**. Agreement, the consideration or subject of which is unlawful (Section 23)

**4**. Agreement, the consideration or subject of which is unlawful in part (Section 24)

**5.** Agreements made without consideration (Section 25)

**6**. Agreement in restraint of marriage (Section 26)

**7**. Agreements in restraint of trade (Section 27)

**8**. Agreements in restraint of legal proceedings (Section 28)

**9.** Agreements the meaning of which uncertain (Section 29)

**10.** Agreements by way of wager (Section 30)

**11**. Agreements contingent on impossible events (Section 36)

**12**. Agreements to do impossible acts(Section 56)