

Definition

Contract is «Agreement by which one or several persons bind themselves, in favour of one or several other persons, to give, or to do or not to do, something».

This definition implies that the parties possess the necessary capacity, and it implies also that the parties intend to create legal obligations.

Classification of contract:

Contract can be classified into: bilateral and unilateral, gratuitous and onerous, commutative and aleatory, and nominate and innominate. Contract can also be classified into: consensual, formal, or real.

1 - Bilateral and Unilateral contracts:

A contract normally imposes reciprocal obligations upon the parties, and it is then specified as a bilateral contract. Such as the contracts of sale, hiring, employment and the like.

But there are a few contracts which impose obligations on one of the parties only, and these are described as unilateral contracts.

Among these are donations, the agreement to pay a sum of money, and the agreement to deliver a specific object.

The distinction between bilateral and unilateral contracts is of