**Types of Contracts**

In connection with contracts, there are four types of classifications. Types of contracts in contract law are as follows;

1. On the basis of Formation,
2. On the basis of Nature of Consideration,
3. On the basis of Execution and
4. On the basis of Validity.

**1.Types of Contracts on the basis of Formation**

On this base Contracts can be classified into three groups, namely Express, Implied, Quasi Contracts.

**Express Contracts:** The Contracts where there is expression or conversation are called Express Contracts. For example: A has offered to sell his house and B has given acceptance. It is Express Contract.

**Implied Contract:**The Contracts where there is no expression are called implied contracts. Sitting in a Bus can be taken as example to implied contract between passenger and owner of the bus.

**Quasi Contract:** In case of Quasi Contract there will be no offer and acceptance so, Actually there will be no Contractual relations between the partners. Such a Contract which is created by Virtue of law is called Quasi Contract. Sections 68 to 72 of Contract Act read about the situations where court can create Quasi Contract.

* Sec. 68: When necessaries are supplied
* Sec. 69: When expenses of one person are paid by another person.
* Sec. 70: When one party is benefited by the activity of another party.
* Sec. 71: In case of finder of lost tools.
* Sec. 72: When payment is made by mistake or goods are delivered by mistake.

*Example:* A case on this occasion is Chowal Vs Cooper. In this case A`s husband becomes no more. She is very poor and therefore not capable of meeting even cost of cremation. B, one of her relatives, understand`s her position and spends his own money for cremation. It is done so without A`s request. Afterwards B claims his amount from A where A refuses to pay. Here court applies Sec. 68 and creates a Quasi Contract between them.

**2.Types of Contracts on the basis of Nature of Consideration**

On this base, Contracts are of two types. Namely Bilateral Contracts and Unilateral Contracts.

**Bilateral Contracts:** If considerations in both directions are to be moved after the contract, it is called Bilateral Contract.

*Example:* A Contract has got formed between X and Y on 1st Jan, According to which X has to deliver goods to Y on 3rd Jan and Y has to pay amount on 3rd Jan. It is bilateral contract.

**Unilateral Contract:** If considerations is to be moved in one direction only after the Contract, it is called Unilateral Contract.

*Example:* A has lost his purse and B is its finder. There after B searches for A and hands it over to A. Then A offers to pay Rs. 1000/- to B to which B gives his acceptance. Here, after the Contract consideration moves from A to B only. It is Unilateral Contract.

**3.Types of Contracts on the basis of Execution**

On this base Contracts can be classified into two groups. namely, Executed and Executory Contracts. If performance is completed, it is called executed contract. In case where contractual obligations are to be performed in future, it is called executor contract.

**4.Types of Contracts On the basis of Validity**

On this base Contracts can be classified into 5 groups. namely Valid, Void, Voidable, Illegal and Unenforceable Contracts.

**Valid:** The Contracts which are enforceable in a court of law are called Valid Contracts. To attain Validity the Contract should have certain features like consensus ad idem, Certainty, free consent, two directional consideration, fulfillment of legal formalities, legal obligations, lawful object, capacity of parties, possibility of performance, etc.

*Example:* there is a Contract between X and Y and let us assume that their contract has all those above said features. It is Valid Contract.

**Void:** A Contract which is not enforceable in a court of law is called Void Contract. If a Contract is deficient in any one or more of the above features (Except free consent and legal formalities). It is called Void Contract.

*Example:* there is a Contract between X and Y where Y is a minor who has no capacity to contract. It is Void Contract.

**Voidable:** A Contract which is deficient in only free consent, is called Voidable Contract. That means it is a Contract which is made under certain pressure either physical or mental. At the option of suffering party, a voidable contract may become either Valid or Void in future. For example: there is a Contract between A and B where B has forcibly made A involved in the Contract. It is voidable at the option of A.

**Illegal:** If the contract has unlawful object it is called Illegal Contract.

*Example:*There is a contract between X and Z according to which Z has to murder Y for a consideration of Rs. 10000/- from X. It is illegal contract.

**Unenforceable:** A contract which has not properly fulfilled legal formalities is called unenforceable contract. That means unenforceable contract suffers from some technical defect like insufficient stamp etc. After rectification of that technical defect, it becomes enforceable or valid contract.

*Example:*A and B have drafted their agreement on Rs. 10/- stamp where it is to be written actually on Rs. 100/- stamp. It is unenforceable contract.

**Void Contracts and Illegal Contracts**

All illegal Contracts are void, but all void contracts are not illegal: An illegal Contract will not be implemented by court. So, illegal contract is Void. A void contract may not be illegal because its object may be lawful.

The Contracts which are collateral to illegal contract are void, But the contracts which are collateral to Void contract may be Valid: An illegal makes not only itself Void but also the contracts connected to it. But a contract collateral to void contract may attain Validity because object of main contract is lawful.

**Void Contracts and Voidable Contracts**

**Becoming Valid:**A Voidable Contract may become Valid at the option of suffering party. But a Void Contract can never and never become Valid.

**Third Party Rights:**In case of Voidable Contracts third party may attain rights on concerned property, If the third party gets the property before the Voidable Contracts gets declared as Void. But in case of Void Contract third party cannot get any right.