

## **STUDY OF CONTRACT OF TRANSACTION AND SALES**

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### **ABSTRACT**

This research paper contains a study of contract of transactions and sales. In this research paper, researcher focuses on the principles of transactions and what elements are required for a contract of sale. The aim of this research paper is to identify that actually what transactions are considered as sale, and what are not. And also that all transactions are not sale.

### **INTRODUCTION**

A willful, ponder, and lawfully authoritative assenting between at least two capable parties. Contracts are normally composed however might be talked or suggested, and for the most part need to do with work, deal or rent, or occupancy.

An authoritative relationship is proving by (1) offer, (2) acknowledgement of the offer, and (3) legitimate (lawful and profitable) thought. Each party to an agreement secures rights and obligations in respect to the rights and obligations of alternate parties. In, any case, while all parties may expect a reasonable advantage from the agreement (generally courts may set it aside as discriminatory) it doesn't take after that parties will profit to an equivalent degree.

So now, what is Transaction? Something transacted; especially: an exchange or transfer of goods, services, or funds.<sup>1</sup>

For all business owners, transactions are a regular and fundamental part of business activity. Commercial transactions typically encompass the selling and purchasing of goods or services.<sup>2</sup>

### **Different definitions of Transactions**

1. General: Assentment, contract, trade, comprehension, or exchange of money or property that happens between at least two gatherings and sets up a lawful commitment, additionally called booking or reservation.

<sup>1</sup> <https://www.merriam-webster.com>

<sup>2</sup> <https://www.justia.com//>

2. Accounting: Occasion that impacts an adjustment in the benefit, risk, or total assets account. Exchanges are recorded first in diary and afterward presented on a record.

3. Banking: Action influencing a ledger and performed by the record holder or at his or her demand.

4. Trade: Trade of merchandise or administrations between a purchaser and a vender. Each exchange has three parts: (1) exchange of good/administration and cash, (2) exchange of title which could possibly be joined by an exchange of ownership, and (3) exchange of trade rights.

5. Registering: Occasion or process, (for example, an info message) started or conjured by a client or PC program, viewed as a solitary unit of work and requiring a record to be produced for preparing in a database.

Contract law was chosen to be an suggestion of two connected notions that the rules of contract law could be constructively for the studied through analysis, integrative tribulations and that those rules, once mastered, could be resourcefully used by attorneys to solve the problems of their clients. Between that time and today, much has changed. Contract law is generally well thought-out one of the more stable areas of law, but it too has been evidently in it state of variation. Contract, normally notes an union between two or more individual, not merely a common belief, but a general understanding as to somewhat is to be prepared in future by one or both of them. For lawyers, contract ore often than not is used to refer to an agreement that has legal effect; that is, it creates obligations for which some variety of legal enforcement will be accessible if performance is not forthcoming as promised. Thus, it will sometimes be necessary to make a distinction among three elements in a transaction, contract;

- (1) The agreement-in-fact between the parties.
- (2) The agreement-as-written.
- (3) The set of right and duties created by the parties in written.

And, what are Sales? Formal decrease by which a dealer consents to offer and a purchaser consents to purchase, under specific terms and conditions explained in writing in the record marked by the two gatherings. A receipt, for instance, is an agreement of offer.

Concerning accumulation, sales come in three flavors:

Money sales: Money is gathered when the business makes the deal and conveys the item as well as administration to the client.

Credit sales: Money isn't gathered until at some point after the deal is made; the client is given a timeframe before it needs to pay the business.

Propel installment sales: The client pays the business before the deal is fulfilled, that is, before the business conveys the item or potentially administration to the client.

### TRANSACTIONS

- Transactions of goods and services between buyer and seller:

A contract in which there is transfer of some goods and services between the buyer and the seller is called transaction of goods and services.

The essentials to constitute such contracts are:

1. A contract between two parties one is called the buyer and the other is seller
2. Subject matter 'goods'
3. Consideration is 'price'.
4. The seller transfers the goods or services to the buyer.

- Transfer of Title

When one person transfers the property or the "Title" to another is transfer of title.

Essentials of transfer of property under Transfer of property, 1882

- Transfer of property by act of others
- By registration
- Property that can be transferred
- Competence of transferor

- Competence of transferee
- Operation of transfer
- Conditions of oral and written transfer
- **Transfer of exchange rights**

When two persons mutually transfer the ownership of one thing for the ownership of another, neither thing nor both things being money only, the transaction is called an 'exchange'. A transfer of property in completion of an exchange can be made only in manner provided for the transfer of such property by sale.<sup>3</sup>

The contract about transfer of ownership right over a real estate in exchange for maintenance and care represents a written contract in the form of a title deed according to which one person immediately transfers the ownership of his or her own property in exchange for an obligation of the person who receives the property to provide lifelong maintenance and care.

### **Contract of Sale**

Section 4(1) of Sales of goods act defines sale as, A contract of sale of goods is a contract whereby the seller transfers the property in the goods to the buyer for a price.

Sale is basically, transactions of goods and property.

### **The essentials of contract of Sale**

#### **1. Basic Components of a Substantial Contract**

Every one of the prerequisites of a substantial contract, for example, free assent, thought, competency of the gatherings, legal question and thought must be satisfied. On the off chance that any of the basic components of a substantial contract is truant, at that point the agreement of offer won't be legitimate. For e.g., A consented to offer an almirah to B with no thought. Such an agreement of offer isn't legitimate in light of the fact that it is made without thought.

#### **2. Two Parties**

Another basic component of an agreement of offer is that there must be two gatherings to the agreement of offer viz., vender and purchaser. Be that as it may, there are sure exemptions to

<sup>3</sup> www.legalcrystal.com

this – where a man's products are sold under an execution of declaration he may buy his own particular merchandise. For e.g., An and B were accomplices. After a few years, the firm was broken down. On the disintegration, a few products were isolated among every one of the accomplices. Such a conveyance of products among the accomplices was not a deal.

### **3. Goods**

There must be a few merchandise as a topic, Products must be one which is characterized as merchandise in Sec. 2(7) of the Offer of Products Act. According to the definition given in Sec. 2(7) of the Demonstration, merchandise implies each sort of versatile property and it incorporates stock and offer, developing harvests, grass, the things appended to or framing a piece of the land which can be disjoined from the land. For e.g., A consented to pitch to B, wheat crops which is developed in his field. An and B concurred that B may cut the product and take it away upon the installment of the cost. As the developing yield is incorporated into the expression "merchandise", this is a substantial contract of offer.

### **4. Exchange of Proprietorship**

In an agreement of offer, responsibility for must be exchanged to the purchaser by the dealer or there ought to be a consent to exchange the proprietorship by the merchant to the purchaser. The property in the products signifies "all possession rights" of the merchandise. In an agreement of offer, all the possession privileges of the merchandise must be exchanged by the dealer to the purchaser. Nonetheless, the physical conveyance of the products isn't required. For e.g., A consented to purchase another bike from B an operator for Rs.25,000. A paid the cost and got the bike enlisted in his name and the enrollment book was conveyed by B to A. This is a substantial contract of offer in light of the fact that the responsibility for bike has been exchanged to A.

### **5. Cost**

Another basic component of an agreement of offer is that there must be some cost for the products. That implies, the products must be sold at some cost. As per Sec. 2(10) of the Offer of Products Act, the term value signifies "the cash thought for an offer of merchandise". In this way the cost is the thought for contract of offer which ought to be as far as cash. On the off chance that the responsibility for products is exchanged for any thought other than the cash, that won't be a deal however a trade. Be that as it may, thought can be paid mostly in

cash and incompletely in merchandise. For e.g., A conveyed to B 10 cows esteemed at Rs.2, 000 per dairy animals. B conveyed to A 20 packs of rice at Rs.750 per sack and paid the adjust of Rs.5, 000 in trade out trade of the cows. This is a substantial contract of offer.

### **HOW ALL TRANSACTIONS ARE NOT SALE**

The transactions are of three major types;

- Transactions of goods and services.
- Transactions of title ( but may or may not transfer the possession)
- Transactions of exchange rights.

In sale the essentials are, (1) components of contract (2) two parties (3) goods (4) exchange of Proprietorship (5) price.

From all the above components or essentials, in transactions the (1) and (2) are necessary but other three are not necessarily available.

In Deal, there was exchange of merchandise and property with cost as thought and giving the ownership. As exchanges not just incorporate the exchanges of money, products and property. In exchanges there are move of title in which exchange of ownership isn't obligatory, and furthermore the trading of rights in which cash is excluded.

### **CONCUSION**

Hence, in Sale, there was transfer of goods and property with price as consideration and giving the possession. As transactions not only include the transactions of cash, goods and property, In transactions there are transfer of title in which transfer of possession is not compulsory, and also the exchange of rights in which money is not included.

So, transaction is a wide concept and sale is a part of transaction. And hence, **All Transactions are not Sale.**

### **REFERENCES**

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