

Public Opinion on Minor Contracts with Special Reference to Indian Laws and US Laws

S.V. Navin Prabhu

Student of BA.,LLB.,Saveetha School of Law, Saveetha University,SIMATS,Chennai-77,
Email: navinsv1@gmail.com.

Mr. M.Dhinesh

Assistant professor, Saveetha School of Law, Saveetha University, SIMATS,Chennai-77.
Email: dhineshm.ssl@saveetha.com.

Article Info

Volume 82

Page Number: 14326 – 14332

Publication Issue:

January-February 2020

Abstract

The Indian Contract Act, 1872 recommends the law identifying with contracts in India. The Act depends with the standards of English Law. It is appropriate to every one of the conditions of India with the exception of the territory of Jammu and Kashmir. It decides the conditions in which guarantees made by the gatherings of a contract will be legitimately authoritative. A minor is a person who has not attained the age of majority according to the law to which he is subject. This age has been fixed differently by different legal systems at different times, and different ages may be fixed for different purposes by the same legal system at the same time. The main objective of this paper is to study about the public opinion upon Indian minor contract with American laws. The researcher used the empirical research method. Empirical research is based on observed and measured phenomena and derives knowledge from actual experience rather than from theory or belief.

Article History

Article Received: 18 May 2019

Revised: 14 July 2019

Accepted: 22 December 2019

Publication: 28 February 2020

Keywords: Contracts, Minor, Laws, Age, Agreement

I. INTRODUCTION

The Contracts or agreements between different gatherings are surrounded and approved by the Indian Contract Act. Contract Act is a standout amongst the most focal laws that controls and regulates all the business wherever an arrangement or an agreement is to be come to at. The accompanying segment will reveal to us what a contract is. The position has been considerably changed by this Act and minor's contracts are now generally void with a few exceptions .perceive how a contract is characterized by The Indian Contract Act, 1872. The Privy Council in its judgment in Mohori Bibee v. Dhurmodas Ghose' held that the minor's contracts were void ab initio. In this case a minor executed a mortgage in favour of a money-lender as a security against repayment of a loan of Rs, 20,000 at 12% advanced to him. Later on, an action was taken against the money-

lender on behalf of the minor for declaration that the mortgage was void and inoperative. The Privy Council upheld the contention of the minor. A minor's agreement being void cannot be ratified on attaining majority. Thus, a promissory note executed by a minor and ratified on attaining majority in consideration of debts received during minority is bad for want of consideration and will not be enforceable. The aim of the study is to differentiate between the laws in USA and India regarding minor contract.

II. OBJECTIVES

To study the effectiveness of minor contract in the United States,
To study the obligations of a minor who is contracting,
To know the provisions under the Indian and United States laws for minor contracts

III. REVIEW OF LITERATURE

Minors (those younger than 18, in many states) come up short on the ability to make a contract. So a minor who signs a contract can either respect the arrangement or void the contract. There are a couple of special cases, be that as it may. For instance, in many states, a minor can't void a contract for necessities like nourishment, apparel, and cabin. Likewise, a minor can void a contract for absence of limit just while still under the time of greater part. In many states, if a minor turns 18 and hasn't successfully voided the contract, at that point the contract can never again be voided.(Story 1856)

There are a few confinements set in contract law cases on when a minor is allowed to disaffirm a contract understanding. The minor must disaffirm the contract understanding inside a sensible measure of time of achieving the period of dominant part. A minor isn't permitted to use their entitlement to disaffirm in the event that they have dishonestly expressed their age or if the contract understanding was occupied with request to acquire administrations or merchandise regarded basic to their survival. (Bhat 2009)

An expanding number of states are confining the capacity of a minor to disaffirm a contract in the event that they have profited by the contract in any capacity. A minor disaffirming a contract is required to bend over backward to reestablish the other party to the status they were in before the presumption of the contract. The courts do perceive that a minor who has disaffirmed a contract including a decent they are no longer possessing are normally not considered in charge of remunerating the other party. (Ebow Bondzi-Simpson 2002)

Contract law cases by and large don't stretch out a minor's obligation to a watchman or parent. The main time a gatekeeper accept legitimate risk for a

contract understanding their ward goes into in contract law cases is if the watchman co-signs the contract.(University of Alberta. Institute of Law Research and Reform 1975)

Minors have constrained capacity to go into a contract understanding. A minor in a contract law case is anybody younger than eighteen. There are a few conditions under which an individual underneath the age of eighteen may have the full lawful ability to go into a contract. On the off chance that an individual is hitched while under eighteen years old, they more often than not are held to the full ability to go into contracts, in spite of the fact that this is resolved on a State by State premise.(Chandler and Brown 2007)

Emancipation may likewise make an individual stop to be viewed as a minor. Emancipation is a lawful procedure which happens when a person who has not yet achieved the ordinary period of larger part can be proclaimed to never again be a minor on the off chance that they are paying their own bills, providing their own place of habitation, and are never again dependent upon their parent or lawful watchman in any capacity.(Stone 2005)

In the law of agreement, a minor or baby is an individual under 18 years old, the period of larger part having been decreased from 21 by the Family Law Reform Act 1969. The general decide is that a minor's contracts are voidable at his alternative yet are official on the other party. Voidable contracts are sub-separated into two classes. To start with, those contracts which tie the minor except if disavowed amid minority or inside a sensible time of achieving greater part. Besides, contracts which are not authoritative upon the minor except if he approves them in the wake of accomplishing larger part yet which do tie the other party. (Fisher and Greenwood 2007)

Contract law directs the commitments built up by agreement, regardless of whether express or suggested, between private gatherings in the

United States. The law of contracts shifts from state to state; there is across the country government contract law in specific regions, for example, contracts went into in accordance with Federal Reclamation Law. (Fisher and Greenwood 2007)

The law administering exchanges including the closeout of merchandise has turned out to be profoundly institutionalized across the country through broad reception of the Uniform Commercial Code. There stays noteworthy assorted variety in the elucidation of different sorts of contracts, contingent on the degree to which a given state has arranged its customary law of contracts or received parts of the Restatement (Second) of Contracts.(Care 2001)

The law receives an unequivocally defensive frame of mind towards kids (people under 18 years old, alluded to as 'minors'). The general principle is that contracts gone into by a tyke are not official on him except if they are ratifi ed by him after he achieves the age of 18 ('lion's share'). (Chen-Wishart 2018)Be that as it may, the contracts of kids are not void; they are unenforceable by the grown-up, however enforceable by the kid. That is, the contract is official on the grown-up; the grown-up can't get away from the contract by arguing the youngster's inadequacy.(Marsh and Soulsby 2002)

IV.METHODOLOGY

This research has been adopted doctrinal as well as empirical method. Doctrinal research is based on observed and measured phenomena and derives knowledge from actual experience rather than from theory or belief. Key characteristics for an empirical research is Specific research questions to be answered And Description of the process used to study this population or phenomena, including selection criteria, controls, and testing instruments (such as surveys).the statistical tools are used for this research work is

chi square, correlation. SPSS graphics and diagrams are attached in this research work. cross table has been used for this research work . The data collected through random sampling method. The sample size is 1592. The Independent variable used here is age and the Dependent variable used here is whether the doctrine of separation of powers is strictly followed in India and whether doctrine of checks and balance is different from doctrine of separation of powers. Statistical Tool used here is chi square analysis and symmetric measurers. Present study is based on Primary as well as Secondary sources of data, which are as Primary data is collected by collecting questionnaire from general public and Secondary data is collected through literature of N.G.O. reports, Government Reports, Websites, Research Articles, Newspapers. The Statistical Tool used here is chi square analysis and symmetric measurers.

V. ANALYSIS, DISCUSSION AND RESULTS

SAMPLING SIZE

The essence of survey method has been explained as “questioning to individuals on a topic or topics and then describing their responses”. Random sampling method was used for the purpose of this study. There are a total of 1592 samples collected for this study.

HYPOTHESIS

Null Hypothesis: People agree that minor contract should be made voidable

Alternate Hypothesis: People disagree that minor contract should be made voidable

Table: 1 (Frequency and Percentage)

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	15-30	757	47.6	47.6	47.6
	31-50	661	41.5	41.5	89.1
	50 and above	174	10.9	10.9	100.0
	Total	1592	100.0	100.0	

Source: Primary data

Table: 2 (Question: Are you aware that minor contacts are void contracts?)

Crosstab					
		Are you aware that minor contacts are void contracts?		Total	
		Yes	No		
Age	15-30	Count	397	360	757
		% within Age	52.4%	47.6%	100.0%
	31-50	Count	368	293	661
		% within Age	55.7%	44.3%	100.0%
	50 and above	Count	75	99	174
		% within Age	43.1%	56.9%	100.0%

Total	Count	840	752	1592
	% within Age	52.8%	47.2%	100.0%

Source: Primary data

Interpretation:

The survey was attended by a total of 1592 people across all age groups. A total of 840 people across all age groups was aware that the contracts entered by a minor is void, i.e., about 52.8% of the people are aware of this. Nearly 765 people in the age group of 15 to 50 are aware of the fact that minor contracts are void. And 752 people are not aware that minor contracts are void.

Table : 3 (Chi-Square Tests)

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.791 ^a	2	.012
Likelihood Ratio	8.791	2	.012
N of Valid Cases	1592		

Source: Primary data

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 82.19.

Interpretation:

From table 3, it is clearly tells that the null hypothesis is rejected; there is a relation between age and minor contract. The respondents have responded the question for awareness of minor contacts. The respondents had been taken by random sampling method. The sample size is 1592. The Pearson's chi square test has been

analyzed in the above table. With careful analysis it can be seen that, In the chi square table the Pearson the value is 0.012, which is lesser than 0.05. The dependent variable used here is Public

has awareness of minor contract in India and the independent variable is age. From this Survey it can be said that almost equal quantity of people are aware about minor contract.

Table: 4 (Question: Do you agree that minor contracts should be made voidable contracts?)

Crosstab								
		Do you agree that minor contracts should be made voidable contract ?					Total	
		Agree	Disagree	Neutral	Strongly agree	Strongly disagree		
Age	15-30	Count	100	158	215	228	56	757
		% within Age	13.2%	20.9%	28.4%	30.1%	7.4%	100.0%
	31-50	Count	103	137	157	176	88	661
		% within Age	15.6%	20.7%	23.8%	26.6%	13.3%	100.0%
	50 and above	Count	63	9	21	57	24	174
		% within Age	36.2%	5.2%	12.1%	32.8%	13.8%	100.0%
Total		Count	266	304	393	461	168	1592
		% within Age	16.7%	19.1%	24.7%	29.0%	10.6%	100.0%

Source: Primary data

Interpretation:

A total of 461 people stated strongly agree for the survey question for a contract entered by a minor should be made a voidable contract and 266 people agreed on this matter. About 390 people stayed in neutral position. Nearly 476 people are against this, i.e., 476 people disagreed and strongly disagree on this question.

Table: 5(Chi-Square Tests)

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	97.269 ^a	8	.000
Likelihood Ratio	97.673	8	.000
N of Valid Cases	1592		

Source: Primary data

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 18.36.

Interpretation:

From table 5, it has been calculated that the null hypothesis is rejected, so it is clearly states that there is relation between age and minor contract is a voidable contract. With careful analysis it can be seen that, In the chi square table the Pearson the value is 0.000, which is lesser than 0.05.

VI.CONCLUSION

The position of the law on the whole is satisfactory. However, in one respect the law needs a change. It is suggested that section 11 of the Contract Act must be amended so as to exclude from its purview contracts of service of minors if in the opinion of the Court they are beneficial to the minor. It may also be better to clarify the position in the matter of restitution where the minor is the plaintiff. Section 65 may be made applicable to those cases where a person is induced to enter into an agreement with a minor on a false representation that he is a minor, or where a person is able to prove that he was not aware of his minority (the burden to do so on the party concerned). Similarly, section 65 should apply in favour of the minor where, say. the minor has sold the goods to a person who has not paid the price.

VII. REFERENCES

- [1] Bhat, Sairam. 2009. *Law of Business Contracts in India*. SAGE Publications India.
- [2] Care, Jennifer Corrin. 2001. *Contract Law in the South Pacific*. Cavendish Publishing.
- [3] Chandler, Adrian, and Ian Brown. 2007. *Law of Contract 2007 - 2008*. Blackstone Press.
- [4] Chaudhary, Ajay. 2018. "Freedom of Choice under Indian Contract Act: A Critical Evaluation." *Journal of Advances and Scholarly Researches in Allied Education*. <https://doi.org/10.29070/15/57405>.
- [5] Chen-Wishart, Mindy. 2018. "Contract Law." *Law Trove*. <https://doi.org/10.1093/he/9780198806356.01.0001>.
- [6] Collins, Hugh. 2002. "Unfair Contracts." *Regulating Contracts*. <https://doi.org/10.1093/acprof:oso/9780199258017.003.0011>.
- [7] ———. 2003. *The Law of Contract*. Cambridge University Press.
- [8] Ebow Bondzi-Simpson, P. 2002. *Law of Contract: With Special Reference to the Law of Ghana*.
- [9] Klass, Gregory. 2010. *Contract Law in the USA*.
- [10] Marsh, S. B., and J. Soulsby. 2002. *Business Law*. Nelson Thornes.
- [11] Mishra, Abhinav. n.d. *The Indian Contract Act, 1872*. Upkar Prakashan.
- [12] Morgan, Jonathan. n.d. "Contract Law Minimalism." *Contract Law Minimalism*. <https://doi.org/10.1017/cbo9781139108171.018>.

- [13] Pollock, Frederick, and Dinshah Fardunji Mulla. 2014. *Indian Contract Act, 1872*.
- [14] Saprai, Prince. 2019. "Republican Contract Law." *Contract Law Without Foundations*. <https://doi.org/10.1093/oso/9780198779018.003.0004>.
- [15] Stone, Richard. 2005. *The Modern Law of Contract*. Psychology Press.
- [16] Story, William Wetmore. 1856. *A Treatise on the Law of Contracts*.
- [17] Tudor, Keith. n.d. "Contracts, Complexity and Challenge." *Contracts in Counselling and Psychotherapy Contracts in Counselling and Psychotherapy*. <https://doi.org/10.4135/9781446213421.n11>.
- [18] University of Alberta. Institute of Law Research and Reform. 1975. *Minor's Contracts*.