This chapter discusses consideration as a requirement for an agreement to be treated as a legally binding contract. Consideration is the price one party pays for the other party’s promise or performance. The doctrine of consideration provides, in essence, that a price of some sort must be paid if an agreement is to be enforceable as a contract. This chapter begins with an analysis of the first requirement imposed by the doctrine of consideration: that the act, forbearance, promise, or commodity given in exchange for the promise should be something of value. It then examines the three different conceptual approaches used in the legal understanding of value based on the idea of economic value, benefit and detriment, and practical benefit. It also describes the ingredients of exchange and includes case in depth boxes that cover the most influential and important cases pertaining to consideration.
3. Consideration: The requirement of mutuality