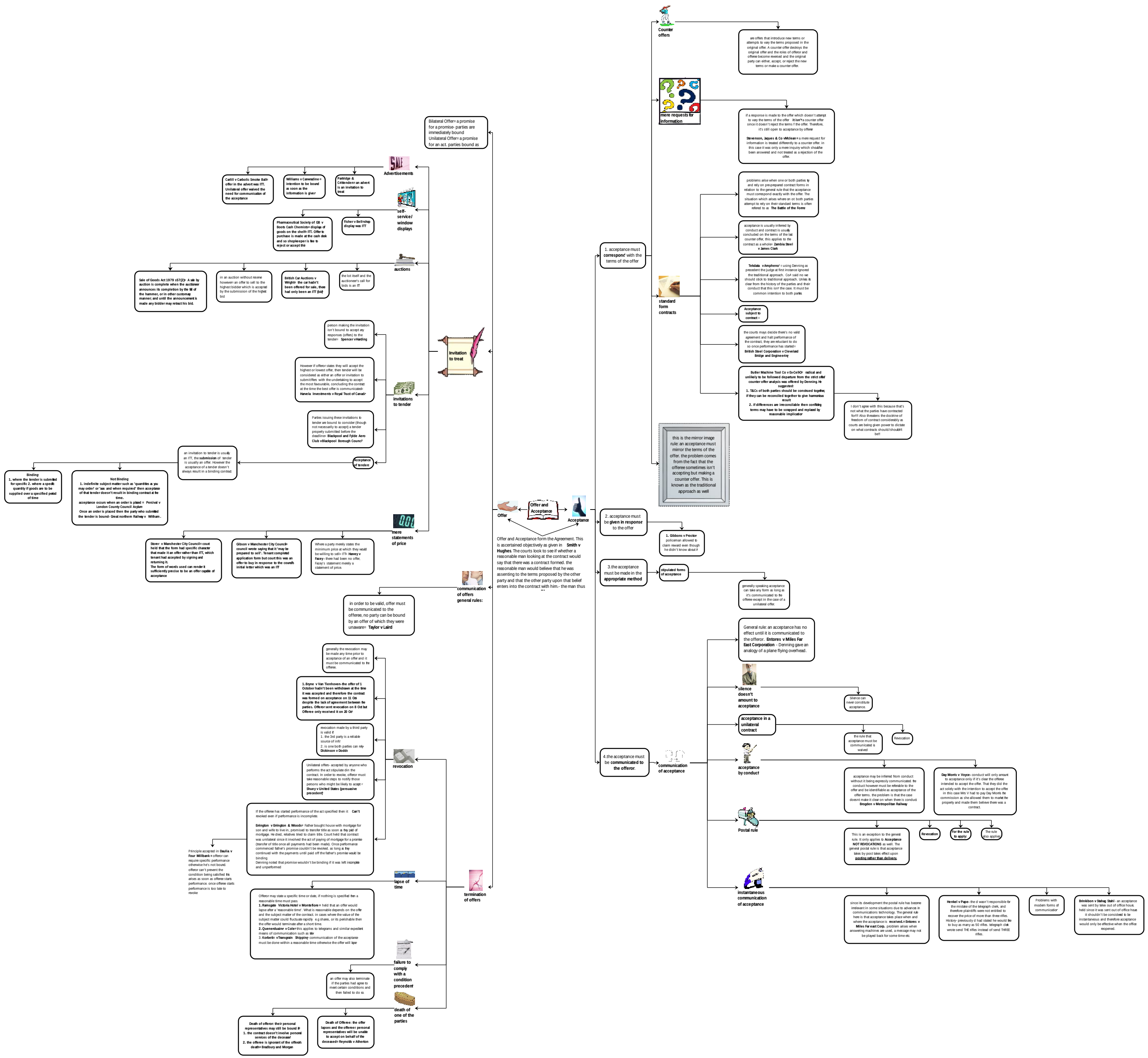

Offer and Acceptance
Offer
Acceptance
Offer and Acceptance form the Agreement. This is ascertained objectively as given in Smith v Hughes. The courts look to see if whether a reasonable man looking at the contract would say that there was a contract formed. the reasonable man would believe that he was assenting to the terms proposed by the other party and that the other party upon that belief enters into the contract with him - the man thus
Bilateral Offer= a promise for a promise- parties are immediately bound
Unilateral Offer= a promise for an act, parties bound as
Invitation to treat
Advertisements
self-service/ window displays
auctions
invitations to tender
mere statements of price
communication of offers general rules:
In order to be valid, offer must be communicated to the offeree, no party can be bound by an offer of which they were unaware: Taylor v Laird
revocation
lapse of time
failure to comply with a condition precedent
death of one of the parties
termination of offers
Counter offers
mere requests for information
1. acceptance must correspond with the terms of the offer
standard form contracts
this is the mirror image rule: an acceptance must mirror the terms of the offer. the problem comes from the fact that the offeree sometimes isn't accepting but making a counter offer. This is known as the traditional approach as well
2. acceptance must be given in response to the offer
3.the acceptance must be made in the appropriate method
stipulated forms of acceptance
4.the acceptance must be communicated to the offeror
communication of acceptance
General rule: an acceptance has no effect until it is communicated to the offeror. Entores v Miles Far East Corporation - Denning gave an analogy of a plane flying overhead.
silence doesn't amount to acceptance
acceptance in a unilateral contract
acceptance by conduct
Postal rule
instantaneous communication of acceptance