

Business law: offer,
acceptance,
consideration, and
intention essay
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John is an offeror as he is putting his property out at 2 million and this offer may also be made to the world at large not just individuals or specific groups of people (Carhill v Carbolic Smoke Ball Co 1893). After having assessed through the situation of Adam and John, I would like to touch on assessing Adam's situation first. In this scenario, John was the offeror as he offered 2 million for the house and Adam is the offeree but as Adam was the first viewer of the house and he offered to pay 1.8 million, Adam then became the offeror and John became the offeree. Reason being there was a counteroffer of 1.8 million instead of the original 2 million done by Adam which made him the offeror. Following, John whom is the offeree did not respond either positively or negatively towards Adam's offer but only kept quiet, so I would deem that there was no communication between them which also means there was no acceptance for this sale of property.

Additionally, between these two parties the offeror and offeree, they had not applied the theory of silence to be constructed as acceptance for the dealing of the house. In this case John did not reciprocate towards Adam when he offered the price of 1.8 million, acceptance must be communicated (Entores Ltd v Miles Far East Corp). Since there was no communication between offeror Adam and offeree John to agree that offeree's silence would be formulated as acceptance, this then would highlight that silence does not constitute as acceptance according to the case (Felthouse v Bindly 1862). Unless, there was communication done between Adam and John that silence would constitute as acceptance, following with both parties agreeing verbally or in written form on the price of the property, Adam has no factual grounds to take legal actions against John.

Moving on to assessing Bill's situation, on the same day after Adam left, Bill came over to view John's property. Bill agreed to the 2 million offer that John had made. Therefore, John is the offeror and Bill is the offeree. In this case, though Bill agreed on paying 2 million for the property, he added on "subject to contract", this phrase simply means that the offeree is agreeable to the terms of the offer but proposes that both parties negotiate a formal contract on the basis of the offer (Yap Eng Thong v Faber Union), this scenario then made this deal between Bill and John not finalized at that moment. Indeed there was communication made between the offeror and offeree, which later offeror John verbally agreed with offeree Bill on this terms that the price of the property 2 million would be "subject to contract", but according to the law it does not constitute to John the offeror agreeing to selling the property until there is a formal contract where both offeror and offeree are signed to it.

There was acceptance for the price of the property between the two parties, but there wasn't an acceptance for John to sell the property. Bill did not indicate clearly, if the contract was to be prepared by himself or John, therefore it was a clear understanding between the offeror and the offeree that the offeror has no obligations nor must sell the property unless there is formal contract presented between the both parties, if not the offeror's offer may still be made to the world at large. To conclude Bill's thoughts of taking legal actions against John would not be recommended as there are no clear grounds for Bill to fight for.

Finally, for Charles case, John became the offeree and Charles became the offeror as Charles counter offered John with 2.2 million instead of the initial
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2 million. The four elements offer, acceptance, consideration and intention to create legal relations were all seen between Charles and John. Acceptance was being communicated between offeror and offeree, both parties verbally agreed on the counter offered price 2.2 million for the property. Additionally there was an executed consideration observed between them, there was an act done by one party in exchange for a promise. Immediately, the following day, they went to complete a contract of sale for the property which mainly means offeror and offeree created legal relations for the sale of property.