

Bachelor contract between leila and julie is



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Theyagu 1a) Issue My advice to Leila would be based on the issue at hand. The issue is whether the contract between Leila and Julie is valid, and if it is legally binding. Whether Julie can bring any actions against Leila for not rewarding for returning the missing gold locket and chain.

Premise A contract involves certain basic elements such as offer, acceptance, consideration, an intention to create legal relations and lack of vitiating factors.

An offer is also an intention to enter legal relationship with another party and in this case, the party acting on the advertisement by performing the act of finding the lost gold chain, locket and following the terms stated is said to have accepted the offer who is Julie, the offeree. As for Leila, she has made a Unilateral offer as it is a newspaper advertisement made public or the whole world, and not to identifiable individuals. An offer is the willingness of the offeror to enter into legally binding contract with the offeree.

In terms either implied or expressed by either party to indicate that the contract will be binding to the offeror as soon as acceptance is conveyed by the offeree *Preston Corporation Sdn Bhd v Edward Leong* (1982) 2MLJ 22. An acceptance of an offer may be express (orally or in writing) or implied by conduct. However, an acceptance need not be communicated to or received by the offeror in 3 situations such as the postal or mailbox rule, silence and waiver of communication. For the case of *Carlill v Carbolic Smokeball* (1893) 1 QB 256, waiver can be described as when the offeror has

omitted with the requirement of communication of acceptance.

Consideration is necessary to create a legally binding agreement.

It is also a benefit accruing to one party for entering into a contract. In a contract, one consideration is also exchanged for another consideration. *Currie v Misa* (1875) LR 10 Ex 153. Authority. This principle of law has been effectively established in the case of *Carlill v Carbolic Smoke Ball Company* 1893 1 QB 256, where Carbolic Smoke Ball company made an advertisement to the public whereby if anyone buys the smoke ball and gets flu after using it correctly, would get a reward of £100. However as instructed, Mrs.

Carlill still caught the flu after using the smoke ball. She wanted to claim the £100 but the company refused to pay as they claim that the advertisement was not an offer. In the court, Mrs.

Carlill was able to claim the £100 as the company has made a unilateral offer through advertisement. Therefore, in this case Julie will be able to claim \$50 as of reward from Leila, for accepting her offer. *Carlill v Carbolic Smoke Ball Company* 1893 1 QB 256. In another case whereby there is a legally binding agreement. *Harbhajan Lal vs. Harcharan Lal* (AIR 1924 A 11.

539). In this case, Har Bhajan Lal created an advertisement through pamphlets stating whoever being able to trace his son and bring him back to his father, will get RS. 500. In which, the plaintiff saw the advertisement at a railway station, and saw Ram Kishen, realising he is the missing boy.

He then brought him to the Railway Police Station, also sent telegram to Har Bhajan Lal, asking for reward. Similarly, an acceptance has been made by

Julie after she had read the advertisement and finds the locket and chain on her way home. Thus, the contract between Leila and Julie has been made, resulting in a waiver of communication, without the need to inform or phone Leila.

Harbhajan Lal v Harcharan Lal (AIR 1924 A11. 539). On the next case Gunthing v Lynn (1831) 2B & AD 232 whereby Lynn offers to buy a horse if it was a lucky horse, for \$5 more. However, it turns out to be otherwise. In this case, the condition when Lynn offered to pay \$5 more, it was too vague to create a binding contract between them.

Therefore, similarly in Leila's case, she did not state in her advertisement that anyone who finds it must phone it before returning. Argument/ claim Leila can argue that she has expressly stated her phone number on the advertisement, this would require Julie to telephone before returning her locket and chain Gunthing v Lynn (1831) 2B & AD 232. Moreover, Leila can argue that she puts up advertisement on newspaper is a unilateral offer whereby it is to the world at large. In the argument, if only Leila's advertisement is an invitation to treat, there will be no binding contract between them.

This happens when one party invites the other to make an offer to create a contract but, invitation to treat is not an offer. Therefore, accepting an invitation to treat is just merely making an offer and this means there is not contract between them as she is only inviting to make an offer. This can allow Leila to refuse to pay Julie the reward. Counter argument / claim In this case, although Leila has stated her number in her advertisement, Julie can argue

that the advertisement was not clear enough. Leila should have stated on her advertisement saying that Julie should call before returning. However, it clearly stated that there will be a reward of \$50 for returning of locket and chain, regardless of returning to the address given or calling beforehand Harbhajan Lal vs.

Harcharan Lal (Ibid). Leila still refuses to reward Julie even when she tried collecting her reward at 1 Titanic Drive and she told Julie she should have telephoned first before collecting so that she would be able to claim her reward. However, by Julie returning the items to Leila, it has already become a contract thus, no phone calling was required and so, Julie will be able to claim her reward because the terms were met. Conclusion Based on the argument presented, there is a binding contract between Leila and Julie.

Through executed consideration, whereby an act done by one party, for exchange of promised made. When it has been completed by the party, the consideration will have said to be executed. As such, Leila will have to fulfil to Julie's consideration as Julie found the lost item while on the way home Currie v Misa (Ibid) In addition, with the Contract Law, the offer by Leila has been made to the world at large which Julie has accepted it.

Moreover, this advertisement was made to the world at large and Leila would not know who will take the offer, which means it is a unilateral offer and thus, anyone who finds it and returns it is deemed as an acceptance of the offer. 1b) My answer would have been different if it was an exchange done independently or any exchange or promise, which would be known as past consideration. In the following case R v Clarke (1927) 40 CLR 227, Clarke tried claiming the reward of \$1000 after he had provided the
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information to which leads to the conviction of a murderer of 2 policemen named Walsh and Pitman. However, Clarke was not able to claim any reward because back in June when he was on trial, he gave the information, so he would be able to clear his own name for the murder. At that point, Clarke was not aware of reward and thus, there is no contract binding.

With that, the consideration that he has made was in the past. Therefore, a consideration will not be valid if a consideration was made in the past. *Roscorla v Thomas* (1842) 3 QB 234. Adding on, if he does not know about the rewards, he will not be entitled for it. I will conclude that in Julie's case, if she had not read the advertisement, this would also mean that she will not be aware of the rewards. Therefore, after Julie was then told about the reward by April after finding the returning the locket and chain, it would not be a valid consideration because it was done in the past. With the next case, *Re McArdle* (1951) Ch 669, William McArdle left a house to his five children in equal shares. His wife, Ms McArdle did improvements to the house costing £488 and even get her children to sign documents, promising to repay Ms McArdle after everything has been evenly distributed. After distributing evenly, the children refused to pay her.

In this current situation, Ms McArdle had already performed the work before she asked for payment. Thus, similarly to *R v Clarke* (1927) 40 CLR 227, her consideration was in the past, and it is not a good consideration which adds onto not a valid consideration *Roscorla v Thomas* (Ibid). In addition, it was only a promise to pay, as the promise to make payment came only after the consideration has performed, which resulted to transaction has not been completed. 2a) Issue The legal issue here is to advise Adam, what will

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remedies available because Edwin has breach of contract due to Edwin has already agreed to sell Adam a 1925 Rolls Royce for \$500, 000 but refused to sell after someone offers to buy at a higher price, \$700, 000.

Premise A contract has requirements for it to be legally binding. Firstly, there must be a meeting of minds (consensus ad idem), whereby both parties must show there are intentions to create legal relations with each other. Secondly, there must be consideration of both parties such as money paid for work done.

Adding on, legal capacity to contract is one of the elements which make a contract. For example, there must have a legal age for a party to enter into a contract. Breach of contract is a failure, performing any promise that forms part of the contract without any legal excuse. Remedies for breach of contract has five elements to it which includes specific performance whereby it is used on a party to do specific thing. quantum meruit, voidable, injunction and void. Authority The following case Mareva Compania Naviera SA v International Bulkcarriers SA the Mareva (1980) 1 All ER 213, Mareva Injunction could be a third remedy for Adam.

The Mareva Compania Naviera SA issued a writ to claim against International Bulkcarriers SA the Mareva, the defendants for unpaid hire and damages for repudiation of a charterparty. However, in this case, the court extended the injunction duration to restrain the charterers from disposing the they had. In this remedy, Adam could seek for Mareva injunction from the court whereby it could freeze Edwin's assets. With this, Edwin will not be allowed to sell his vehicle to the Arabian Sheik. Another remedy for Adam would be the

injunctions whereby it is a court order restraining a person from doing a certain act.

Injunction could be granted if the damages would be an insufficient remedy. Therefore, Adam could ask for an injunction from the court, so Edwin will not be able to sell the Rolls Royce 1925 to the Arabian Sheik. As we can see from the case Warner Bros v Nelson (1936) 3 All ER 160, Nelson entered into a contract with Warner Bros and during this period, she is only allowed to only perform for them. Nelson then left the country to and had another contract with another company. Warner Bros then brought injunction to restrain her from working for other company.

Under the next case, Nutbrown v Thornton (1805) 10 Ves 159 Specific Performance is a remedy when used by a court, for a party to do something specific. In this case, the claimant entered into a contract with the defendant as he wants to purchase a machinery. However, the defendant breached the contract and did not deliver the machineries purchased by the claimant thus, specific performance of the contract was sought, and it was granted.

Therefore, the defendant was forced to sell. Similarly, for Edwin, he has breached the contract under the facts of law whereby he refuses to sell even with the terms of contract, knowing that the Rolls Royce is very rare in the market, he could sell the vintage car at a higher price. In this remedy, Adam could seek for Mareva injunction from the court whereby it could freeze Edwin's assets. With this, Edwin will not be allowed to sell his vehicle to the Arabian Sheik. Argument / claim Adam can argue that the time when he agreed to buy 1925 Rolls Royce from Edwin, they have already entered into a contract.

In other words, if Edwin does not want to sell to Adam, he could be sued for the breach of contract. This is because according to the case *Hochster v De La Tour* (1853) 2 E&B 678, Hochster as the plaintiff who agrees to help De La Tour, the defendant as a courier. However, the defendant decides not to hire him as a courier.

The plaintiff then sued him for breach of contract and the court held the plaintiff. Counter-Argument / claim As a counter-claim, Edwin may argue that even though the Arabian Sheik offered \$200,000 more to buy the Rolls Royce, Edwin did not sign the contract with him and this means they have not entered into a contract. He could also argue that he was still hesitating when an Arabian Sheik offers to pay \$200,000 more which can lead to misrepresentation. Conclusion Based on the discussion above, Adam could take legal actions against Edwin by seeking for injunction or Mareva injunction whereby it could freeze or stop Edwin from selling the vehicle. In addition, Adam could also enforce specific performance on Edwin to force him to comply with the terms and conditions. With these legal actions taken, Edwin will have to sell the Rolls Royce 1925 at the initially offered price, \$500,000. 2b) Yes, my advice would be different if it was a late model Mercedes Benz. This is because comparing a late model Mercedes Benz and a vintage Rolls Royce, the price of both vehicles will be different.

Moreover, Rolls Royce is harder to find in the market due to its rarity. For a remedy, both liquidated and unliquidated damages are possible. My advice would be unliquidated damages as it is for a party who suffered the loss after a contract had been performed properly.

Moreover, in this case, Edwin refuses to sell the Mercedes Benz is a breach of contract which Adam could suffer a loss and thus, money damages could be the compensation. References <http://www.uniset.ca/other/cs4/19801AER213.html>

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