

# Elements of contract law essay example

[Business](#), [Company](#)



A contract is a mutual agreement between parties in which one has a role to satisfy for the agreement to be fulfilled and subsequent termination. A contract can be in written form or unwritten form, for the earlier case its known as express form of a contract while for the latter its known as implied form of a contract.

Offer which is unconditional revealing of one party to contract with another the party giving the offer is known as an offeror while the party to whom the offer is revealed to is known as offeree.

Acceptance is the act of consenting to the offer in exchange of what the offeree considers best for the offer.

Consideration this is something of value which the offeror accepts from the offeree and also what the offeree receives from the offeror, there exists mutual exchange of considerations from the contracting parties. Such considerations must be well expressed in the information regarding the contract

Capacity is another element in which each of the contracting parties have the ability to settle in a contract that is about to be formed.

Intention is another element in which each of the party must have revealed an intention to contract neither should be coerced to settle in a contract it's not willing. Spirit of free willingness is what is referred to as intention to contract.

Legality, for a contract to be valid it should be completely valid at the eye of the law it should not contravene the law of the land.

Finally the formality of a contract in which all conditions of a contract must

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be followed and all concepts be defined for all the parties to have full knowledge of what they are settling to further more all parties must have sufficient and full information regarding the contract, any case of information asymmetric should be avoided.

The objective theory of a contract provides that a binding agreement should arise between the contracting parties for there to have an element of an offer by one party and an acceptance by another and subsequent exchange of considerations with full adherence to other elements of a valid contract.

The objective theory of a contract applies partially in our case above as describe below: In our case above for the there is an offer by one party the man from settle a dedicated customer for the soft drinks company, there are is an aspect of considerations where the man raises the need points to have the harrier jet but the element of mutual agreement and formality fails since there is information asymmetric, the soft drinks company knows that the advert aims at popularizing its product but he man takes this as a fact that drives him to raise the points which are later not accepted by the company and thus a contract doesn't materialize since one of the parties, soft drinks company, rejects the offer in exchange of a harrier jet.

In my own opinion the reason as to why the court ruled inexistence of a contract in this case is because the matter above fails to meet the threshold of a contract as defined by the objective theory of a contract as illustrated above the offer of points by the man from Seattle were rejected by the soft drinks company moreover the information asymmetric between the parties where the company admits that the advertisement aimed creating humour

and entertaining in an aim to promote their product and not a fact to be honoured and thus there is a complete disconnect between the parties and thus the principle of mutually agreement fails to show up and hence the court asserts that the case above is completely not a contract that it would enforce.

In my own opinion advertisements are not offers they are what are referred to as invitation to treat in which the a party search for another party that would come up with a good offer and would finally settle for a contract if it would be accepted, an offer in such a case and subsequent acceptance marks the inception of a contract by in our case above this is not the case because an offer of points by the man is not accepted by the company and thus a contract doesn't materialize.

In a reward situation a unilateral contract occurs when one party voluntarily offers a prize in-case another party would volunteer to carry an act that the other party is inviting willing parties to carry out. A reward situation which materializes to a unilateral contract may be literally taken as promise. Our case is a one sided agreement which is not even a promise because of the information asymmetric characterizing it as admitted by the soft drinks company. Even though the man from settle perceive it as a fact a contract is not based on perception but facts and his lack of full information makes him a loser although the soft drinks extends free coupons for being misunderstood.

## **References.**

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Simpson, B. (1975). *A History of the Common Law of Contract: The Rise of the Action of Assumpsit*. U. K, Oxford University Press.