

# Law question assignment



**ASSIGN  
BUSTER**

Assessment Question Ali had an antique motorbike which he decided to sell. He parked the motorbike on his front lawn with a sign " For sale- RM20, 000". Ah Chong, who saw the sign, said to Ali that he would be prepared to buy the motorbike for RMI 5, 000. Ali replied that the price is too low and suggested RM18, 000. Ah Chong responded by asking if Ali would be prepared to accept payment of the RM18, 000 in three monthly instalments of RM6, 000 each. Ali replied that he would not. Ali then added," Anyw??? ay I am no longer interested in selling the motorbike to you. At that precise moment Ali spoke these ords, a helicopter flew low overhead and drowned out his words. Ali did not bother to repeat what he had Just said and was leaving when Ah Chong quickly agreed to the RM18, 000 suggested earlier by All. Discuss whether there is a contract between Ali and Ah Chong. Explain whether your answer would be different if the helicopter flying overhead had not drowned out Ali's words and Ah Chong heard what was said? Assignment Answer In this assignment, I would like to discuss the question above part by part.

First of all, from the sentence He parked the motorbike on his front lawn with a sign " For ale- RM20, 000", it is said that there was an invitation to trade. Invitation to treat or simply speaking information to bargain means a person inviting others to make an offer in order to create a binding contract. An example of invitation to treat is found in window shop displays and product advertisement.. In another words it is a special expression showing a person's willingness to negotiate.

The issue of invitation to treat was discussed in the case of Fisher v Bella 961] 1 QB 394 by the English Court of Appeal : " It is perfectly clear that

according to the ordinary law of contract the display of an article with a price on it in a shop window is merely an invitation to treat. It is in no sense an offer for sale the acceptance of which constitutes a contract. “[I]. An offer can be seen from the prescribed text, “ Ah Chong, who saw the sign, said to Ali that he would be prepared to buy the motorbike for RMI 5, 000. It is stated in Section 2(a) Contracts Act 1950,” when one person signifies to another his willingness to do or abstain from doing anything, with a view to obtaining the assent of that other to the act or abstinence, he is said to make a proposal. and Section 2(b) Contracts Act 1950,” when the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted : a proposal, when accepted, becomes a promise. ” . Both laws were applied when Ah Chong has shown his willingness to make an offer as he would be “ PREPARED” to buy the motorbike for RMI 5, 000.

However, a counter offer was made by Ali when instead of accepting or rejecting Ah Chong’s offer, Ali made another offer:” Ali replied that the price is too low and suggested RM18, 000”. Ali’s offer refers to a counter offer. In this situation unless an acceptance is rendered, there is no binding contract between A and B. This situation is stated in Section 6(c) Contracts Act 1950-” by the failure of the acceptor to fulfill a condition precedent to acceptance”. There was famous case known as [2]Hyde v. 1200 pounds and Hyde (P) declined.

Wrench then made a final offer to sell the farm for 1000 pounds. Hyde in turn offered to purchase the property for 950 pounds and Wrench replied that he would consider the offer and give an answer within approximately two weeks. Wrench ultimately rejected the offer and the plaintiff immediately

replied that he accepted Wrench's earlier offer to sell the real estate for 1000 pounds. Wrench refused and Hyde sued for breach of contract and sought specific performance, contending that Wench's offer had not been withdrawn prior to acceptance.

The question or issue here is if one party makes an offer and the offeree makes a counteroffer, does the original offer remain open? Answer is No because a counteroffer negates the original offer. By making a counteroffer, the plaintiff rejected the original offer and he was not entitled to revive it. So in another words, the parties id not form a binding contract. Then we proceed to the next part where Ah Chong made a mere enquiry to Ali by asking if Ali would be prepared to accept payment of thr RM18, 000 in three monthly instalments of RM6, 000 each. Then, Ali replied that he would not.

On top of that, Ali added that he is no longer interested in selling the motorbike to Ah Chong. Section 5(1) Contract Acts 1950 – A proposal may be revoked at any time before the communication of its acceptance is complete as against the proposer, but not afterwards. This particular case V GRANT (1828) 4 BING 653 nother example of revocation of an offer : Grant wrote to Routledge offering to purchase the lease of his house. The offer was to remain open for six weeks. Grant then changed his mind about purchasing the lease and, within the six weeks, withdrew his offer.

After Routledge had received Grant's letter withdrawing the offer, he wrote back to Grant, within the six weeks, accepting Grant's offer. The issue before the court was whether Grant could withdraw his offer within the six week period or whether he was bound contractually given that Routledge had

accepted the offer within the timescale. The court held the offer could be withdrawn within the six week period without incurring any liability – if one party has six weeks to accept an offer, the other has six weeks to put an end to it.

One party cannot be bound without the other. The case and scenario above convey an useful reminder that until such time as an offer is accepted, the offeror is free to revoke it, even if they have given the recipient a period of time to consider it. When Ali spoke :” I am no longer interested in selling the motorbike to you. ” a helicopter flew and drowned his words. And yet, Ali did not bother to repeat what he ust said and was leaving when Ah Chong quickly agreed to the RM18, 000 suggested earlier by Ali.

In this particular moment, Ali rejected Ah Chong’s offer but according to Section 6(a) Contracts Act 1950-” by the communication of notice of revocation by the proposer to the other party”. It states that revocation os not effective until it is received, communicated. In fact, Ali himself reluctant to repeat what he said which is very important and vital in that situation. Here is one similar case, [4]Byrne v Van Tienhoven (1880) LR 5 CPD 344. In this case, Van Tienhoven offered to sell goods to Byrne by letter dated 1 October.

On 8 October, prior to acceptance, Van Tienhoven the meantime, on 11 October Byrne received the letter and dispatched an acceptance. Was there a contract? To be effective revocation must be communicated. Where post is used for acceptance, acceptance occurs when and where sent. However, this rule does not apply in relation to revocation of offers – thus, if post is used

for revocation, communication is only effective if and when it is received by the offeree. As this occurred after acceptance there was a contract formed in this case. An offer was containing a price escalation clause.

A counter offer was then made without this clause; it contained a detachable receipt which the company sent back with a notation that they assumed it was on their terms. Thus, the intended message was failed to be received by Ah Chong, the offer has not been revoked. There is a contract between Ali and Ah Chong in this scenario. Section 6(a) Contracts Act 1950 obviously stated revocation must be actually communicated to the offeree before the offer can be treated as effectively revoked. Besides, Section 4(1) Contracts Act 1950-“ The communication of a proposal is complete when it comes to the knowledge of the person to whom it is made”.

Importance of conveying message has been shown when either offering or revoking an offer. On the other hand, if the helicopter flying overhead had not drowned out Ali’s words and Ah Chong heard what was said, outcomes definitely would be different. As was mentioned earlier, if the intended message was communicated or received by Ah Chong, revocation of the offer will succeed. In conclusion, communication is very crucial when conducting contracts or offerings as the outcomes and consequences can differ easily. Reference 1 . Dr. Qais Faryadi. What is Invitation to treat.

<http://dr-qais.com/Cyber%20Law/>

[Lecture%20Four%20doc.pdf](#) (accessed 30 November 2013). 2. The Latest Developments In UK Law. Hyde v. Wrench – Case Brief Summary. <http://www.lawnix.com/cases/hyde-wrench.html> (accessed 30 November 2013).

<https://assignbuster.com/law-question-assignment/>

3. Offer: -rerrntnatton Revtston Note I Degree. ROUTLEDGE V GRANT (1828)

4 BING 653. httpw www. bitsoflaw.

org/contract/formation/revision-note/degree/offer-termination- revocation-

rejection (accessed 30 November 2013). 4. Julie Clarke. Byrne v Van

Tienhoven Court of Common Pleas (1880) LR 5 CPD 344. http:// www.

australiancontractlaw. com/cases/byrne. html (accessed 30 November 2013).