

Self-assessment exercises

1. What do you understand by the statement, in English law, the test to decide whether there is an agreement is an objective test?
2. How does one distinguish between an offer and an invitation to treat?
3. In the English case of *Gibson vs. Manchester City Council (1979)*, why did the Court consider that the letter sent by the Council stating that it 'may be prepared to sell the house' to the offeree for £1,180 constituted an invitation to treat?
4. Does acceptance of an invitation to treat result in a binding contract?
5. Does acceptance of an offer result in a binding contract?
6. In the following scenario, discuss whether there is an offer and acceptance resulting in an agreement under English Law. Would the solution be different under French law? Support your answer by reference to decided case law:

You see an advertisement in the local paper offering a second-hand iPad for sale for £200. On your way home from work, you stop at the address given, present the owner of the iPad with £200 but the owner says he has decided not to sell.

7. In the English case of *Carlill v. Carbolic Smoke Ball co.*, why was the advertisement construed by the Court as an offer? Give examples from the case law.
8. In French law, is the display of goods in a shop a firm offer to sell the goods at the advertised price? What about in English law? Explain the policy reasons behind each rule.
9. In the French case of the *Exploding lemonade bottle (1964)*, at which point was the offer deemed to have been accepted?
10. Under, article 2:201(3) of the Principles of the European Contract Law, are advertisements normally regarded as firm offers to sell or invitations to treat?
11. What are the ways in which an offer may come to an end?
12. In French law, can an offer be revoked at any time before it is accepted? What about in English Law? Give examples from the respective case laws.
13. In the following scenario, has a binding contract been formed between Ruth and Tim under the English Law principles of Contract Law? Would the solution be different in French Law?

Ruth wished to sell her computer and put an advert in 'Computer Weekly' which stated "Offer for Sale, Sony Lap top Computer, £500" followed by her telephone number.

On Monday Tim went to see the computer and said he would pay £400 but that he must have a written answer by Thursday.

On Tuesday, Ruth decided to sell her computer to Tim for £400 and sent a letter to Tim's home address but the letter was delayed and did not arrive until Friday.

Meanwhile as Tim had not heard from Ruth, at noon on Thursday he bought another computer and then went to Ruth's house and told Dan, her husband, who told Ruth later that day.

Ruth has now claimed that Tim is in breach of contract.
Advise Ruth

14. Explain the policy reasons behind the various rules regarding the revocation of an offer in French and English Laws.
15. What is the distinction between *Routledge v. Grant* and *Mountford v. Scott*?
16. How may a unilateral offer published in a newspaper be revoked?
17. In French law, when can revocation be said to frustrate the legitimate expectations of the offeree? What are the legal consequences?
18. Under article 2:202 of the Principles of the European Contract Law, can revocation take place if the offeror has expressly included a period during which his/her offer may be accepted? What are the legal consequences of revoking an offer during this period?
19. In the following scenario, discuss whether there is an offer and acceptance resulting in an agreement under English Law. Support your answer by reference to decided case law:

Kate writes a letter offering to sell Meghan her Louis Vuitton handbag for £500. Meghan writes back accepting but the letter is delayed in the post and does not arrive for two weeks – by which time Kate had assumed that Meghan did not want the bag and had sold it to Pippa.

Would your answer be any different if Kate and Meghan had been communicating by email?

20. How do French and English Laws approach the issue of the 'battle of forms'?
21. In the following scenario, discuss whether there is an offer and acceptance resulting in an agreement under English Law. Would the solution have been

the same under French law? Support your answer by reference to decided case law:

William and Harry have been negotiating the sale of William's Aston Martin car to Harry. Eventually Harry tells William that if he hears no more from William then he will assume that he can have the car for £75,000. Harry has heard nothing more and claims to have a contract with William.

22. Explain the 'mirror image' rule under English Law
23. In the following scenario, discuss whether there is an offer and acceptance resulting in an agreement under English Law:

Party Shop Ltd sent a letter to Birthday Supplies Ltd offering to buy 300 happy birthday banners from them at 50p each. The order arrived at Birthday Supplies Ltd's office on 16 October. Michael, the Managing Director of Party Shop Ltd then realised that he could get the banners at a cheaper price from another supplier, so he sent a letter cancelling that order, which arrived at Birthday Supplies Ltd's office on 18 October. However, on 17 October, the Sales Manager at Birthday Supplies Ltd had sent confirmation to Party Shop Ltd that the order would be met, and this letter was received by Party Shop Ltd on 19 October. Neither Michael nor the Sales Manager at Birthday Supplies Ltd is sure whether there is an agreement in place. Advise them.
24. Where an agreement is made in a social or domestic context what is the general rule relating to intention to create legal relations under English Law?
25. Business agreements sometimes use 'honour clauses'. What does an honour clause mean in an agreement in English Law?
26. In which type of agreement is the intention to create legal relations presumed to exist in English Law?
27. In English Law, to what extent are courts examining whether or not the parties intend to take any dispute to a court for resolution?
28. A is moving to London to start medical school. B is A's father. B promises to pay A £1000 a month for rent and amenities. B only makes a payment in A's first month and London and fails to pay again. Is there a presumption that B intended to be bound by his promise in English Law? Use case law to justify your answer.
29. In which of the following situations does the presumption that there is no intention to create legal relations in a domestic setting not apply in English Law?
 - a) Mr. and Mrs. Jones are married. Mr. Jones has been adulterous and Mrs. Jones has moved out of the marital home. Mr. and Mrs. Jones decide to split up and sell their home and reach an agreement as to the proceeds from the sale of that home.

- b) Daniel and Dale are brothers, who both live with their parents. Daniel hasn't spoken to Dale for a week. Daniel agrees to sell his games console to Dale if Dale does the washing up for a year.
- c) Katie is Matthew's sister. Katie agrees to take Matthew to the airport for £20.

30. What is promissory estoppel?
31. What are the conditions necessary to establish promissory estoppel?
32. A husband divorces his wife and then promises to maintain her, provided she takes good care of their only child and keeps the child happy. Later, the husband changes his mind and refuses to provide any maintenance to the wife. The wife then seeks to enforce the promise. Which one of the following statements most accurately summarises the position between the two?
1. The promise is unenforceable because it is not supported by valid consideration, since the wife has a legal duty to take care of their child.
 2. The promise is enforceable because it is supported by valid consideration and the husband clearly intends to be bound.
33. A employs B as a consultant in his firm. B is paid £15,000 plus a 'discretionary bonus'. Over the past year, A's firm has doubled its profits and therefore A decides to pay B an additional £8,000 for 'all of your help and hard work throughout the past year'. B is delighted and buys a new car in anticipation of the extra money being given to him. Subsequently, A changes his mind and refuses to pay B the extra £8,000. Which one of the following statements most accurately summarises the legal position?
1. A is estopped from changing his mind but he can, on giving reasonable notice, return to the original contract and rely on the fixed annual salary clause.
 2. A's promise is unclear and therefore unenforceable.
 3. B has not provided valid consideration for the additional £8,000 because the promise refers exclusively to his performance over the past year, which amounts to a 'past consideration' only.
 4. B can claim the extra £8,000 because he was carrying out A's instructions over the past year and it was reasonable for him to have expected this extra payment in the light of the 'discretionary bonus' clause in his contract.