

THE LANGUAGE OF CONTRACT LAW

A CONTRACT CASE

Exercise 1

Diana Williams is a lawyer. Today she has a new client. Diana's notes from the meeting with her new client are below. Look at the headings in the blue box below. Read Diana's notes and give each paragraph the correct heading.

• General information • What I need to do • Client details • Facts of the case

New client notes
a
Name: Charlotte Hewittson
Address: Chatsworth School of English, Braeburn House, Chatsworth, CH3 2SJ
Telephone: 0771 883567
Appointment: 10 July, 2pm
b
Charlotte Hewittson has a language school in Chatsworth. Her school teaches English to foreign students. On the last Thursday of every month Charlotte takes her students for a day in London. They visit attractions like Madam Tussaud's and Buckingham Palace and they eat lunch in Hyde Park. Charlotte uses a local bus company to take her students to London. The name of the bus company is Chatsworth CitiTravel. Charlotte first used this bus company six years ago. She trusts them and has a good working relationship with them. However, Charlotte never signs a contract with them. She always books the bus by phone.
c
On 2 June Charlotte telephoned the bus company to book the bus as usual for the last Thursday of the month. Unfortunately, it was lunchtime and no one was in the office. Charlotte left a message on the answering machine to make her usual booking. The bus company secretary called Charlotte back, but Charlotte was teaching her class. The secretary left a message for Charlotte. The message was, 'We are very sorry Charlotte, but we can't give you a bus on the last Thursday of this month. We will send one on Friday instead. Call us back immediately if this is not OK. If you don't call us our driver will be there on Friday'.
Charlotte needed a bus for Thursday, not Friday. So, she used another bus company. She forgot to call Chatsworth CitiTravel to say that Friday was no good. The bus arrived on Friday morning. Now Chatsworth CitiTravel wants the cost of hiring the bus. This is £360.
d
I need to advise Charlotte about paying CitiTravel the £360 that they are demanding from her. My advice depends on Charlotte's situation with CitiTravel. If she has a contract with them she is obliged to pay. If there is no contract with them then there is no obligation to pay.

Read the information in Exercise 1 again and decide if the following statements are true or false.

Reau	Thursday.	True	False
а	Charlotte takes her students to London every Thursday.	True	False
b	Charlotte's students are not English.	True	False
c	Charlotte signed a contract with the bus company six years ago.	True	False
d	Charlotte agreed to use a CitiTravel bus on Friday instead of Thursday.	True	False
6	The cost of hiring the CitiTravel bus is £360.		

Before you look at the next exercise decide if Charlotte has made a contract with Chatsworth CitiTravel.

Before you look at the man			
Yes	No	Maybe	

Diana Williams' opinion about Charlotte's legal problem is in the box in Exercise 4. You will need the following words to complete the text. Match each word with the definition provided.

(*) Offer means... a Acceptance means... b Offeror means... c Precedent means...

...a person who makes an offer. (1)

...a decision of a judge in an earlier case that other judges must follow if the circumstances of the situation are the same or similar. (2)

...a proposal, the terms of which are certain.

...that you must do something. It is necessary to do it. (3)

...a legal agreement made between two or more parties. (4)

...an unconditional agreement to what is proposed by the other party. (5)

...a set of arguments in a situation that might become legal or is already legal in nature. (6)

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74

d Case means...

e Contract means...

f Obliged means...

What do these words mean?

unconditional - absolute, without any doubts or suggestions of change.

no good – an informal way of saying not suitable or not acceptable.

parties – the people who have entered into a contract or the people involved in a dispute.

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Exercise 4

Here is what Diana thinks about Charlotte's legal problem. Complete the text using the highlighted words from Exercise 3.

Diana's opinion	
Does Charlotte have a (a)	with Chatsworth CitiTravel?
In some legal systems around say it is difficult to reach a de	If the world the answer is 'Yes' and in some it is 'No'. Many lawyers will finite conclusion.
	rlotte probably does not have a contract with the bus company. with the bus company she is not (b) to pay the £360.
What are my grounds for cond	cluding that Charlotte has probably not made a contract with CitiTravel?
(e) cannot be	in English law that says (d) of an made by silence. Acceptance must be actively communicated to the Charlotte did not accept the bus company's offer.

MORE ABOUT PRECEDENT

We can say that Charlotte does not have a contract because there is a precedent case in English law that says that acceptance of an offer cannot be made by silence. To make a contract Charlotte needed to call CitiTravel and accept their offer.

Exercise 1

You are now going to read more about precedent. The most important words are in the key vocabulary. Read the text below. Decide if the statements on the next page are true or false.

Key vocabulary

- precedent courts of first instance
- common law
- recorded
- binding

criminal and civil court decisions.

law in England and the USA. The common law

As judges' decisions were written down, often

precedent developed. This means that when a

common to the whole country, the idea of

described as 'recorded', in law reports that were

judge decides the result of a particular case he or

she must pay attention to the principles of law that

come from an earlier case dealing with the same or

developed after the year 1066, when the whole of

England developed the same body of laws instead

of each area having its own local laws - that is why

it is called 'common'. The common law covers both

ratio decidendi

obiter dictum

similar points. In this way, a statement of law can

75

distinguishable

Precedent comes from what is called the **common** law. The common law is one of the main sources of become binding upon later judges and can become the law for everyone to follow. When does a particular decision, or pronouncement, by a judge become binding upon later judges? There are two important deciding factors:

- 1. Judges in courts at the lowest level of decisionmaking, often called courts of first instance, do not normally create binding precedents. It is the higher courts that issue binding rulings and the lower courts must follow them.
- 2. The pronouncement must form what is called the ratio decidendi of the case. This is Latin for 'the reasoning behind the decision'. This is the part of

the judge's words that provides the legal reasoning for his or her decision. Everything else the judge says is called obiter dictum. Obiter dictum is something that is not really necessary for the legal basis for the decision. Only the ratio decidendi is binding.

A later judge dealing with a similar case must decide which precedents are binding. He or she may decide that a precedent suggested by a lawyer is either:

- relevant to the case before him or her, or
- distinguishable from the present case, which means that the case is so different that the precedent does not apply in this particular situation.

Many countries use a codified system. However, many people believe that the common law is more practical than a codified system because it was developed from real life situations that were presented to the courts.

	sama thing.	True	False
а	Common law and civil law mean exactly the same thing.	True	False
b	Recorded can mean written as well as recorded on disk.	True	False
С	All judges can make new precedents.	True	False
d	Everything a judge says forms part of the precedent.	True	False
e	Sometimes a judge will say that a precedent suggested by a lawyer is not relevant.		

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76

What do these words mean?

a source of law – a place where law comes from, for example, a civil code.

a body of laws - a collection of laws. All of them together.

a pronouncement – an old-fashioned word meaning a judge's words at the end of a case giving his or her decision.

a principle of law – an accepted idea that forms part of the law.

a factor – something that is important to consider when making a decision.

relevant – of significance or importance to a particular situation.

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Choose one of the words or phrases from the key vocabulary in Exercise 1 to complete these sentences. decisions made by judges. This source of law

Ch	oose one of the words of p	the decisions M	ade by judges. This source or law
	UCA much	of the law is based on the decisions was	
a	In England and the USA Much	of the law is based on the decisions makes	
	is called the	S 26 auroant	·

	A judge's decision that forms the law for	future cases is known as a
b	A judge's decision that forms the law	bo or she gives a decision in a

A judge's decision that forms are	she gives a decision in a precedent case is
The important part of a judge's pronouncement when he or	3.1.0
not the obiter dictum but the	upon lower courts.

	not the obiter dictum but the		upon lower	courts
	Once a precedent is established it forms part of	the law and is		
	and a precedent is established it forms			
d	Office a brooms	(fixet	· · · · · · · · · · · · · · · · · · ·	

=0	are called courts of first	
	in the English system are called 33	,
е	The lower courts in the English system are called courts of first	

Exercise 3

Diana Williams is sending a short letter to Charlotte Hewittson about her case. The letter is in the wrong order. Put the parts of the letter into the correct order. There is an example at the beginning, which is the start of the letter.

Williams & Co

1 Dublin Square Chatsworth CH1 1DX

Ms C Hewittson Chatsworth School of English Braeburn House Chatsworth CH3 2SJ

11 July 20XX

- (a) As I explained to you, the relevant precedent says that acceptance of an offer cannot be made by silence and you have told me that you did not call them. I will write to CitiTravel today on your behalf and make our opinion on this matter clear to them.
- (b) I enclose my account for your attention and hope that this matter is now at an end. If you have any further questions please do not hesitate to contact me.
- (c) Diana Williams

(d) Your dispute with Chatsworth CitiTravel

- (e) I am pleased to confirm to you the advice that I gave you when you visited my office. In my opinion, you did not form a contract with CitiTravel as you did not accept their offer to provide you with a bus on Friday 28 June.
- (f) Thank you very much for coming to see me yesterday in connection with the above matter.
- (g) Dear Ms Hewittson
- (h) My advice is then to do nothing more about this matter and wait to see if CitiTravel respond to our letter.
- (i) Yours sincerely

D. William

) o	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
8	(2)	(0)	()	(3)	(0)	(1)	(0)	(3)

Help desk

What do these words mean?

account - when the word is used in this way it means a bill or an invoice that someone must pay.

THE ELEMENTS OF A CONTRACT

It is a general principle of English and American contract law that all of the necessary elements must be present to make a contract. An element is a fundamental part of something. This is true of all contracts, both written and unwritten.

Read the story below and decide if you think the two people concerned, Charles and Maria, have a contract. In the space provided, write **why** you think this situation is contractual/non-contractual. Think about the elements of a contract in your country.

Maria is Charles's girlfriend. The relationship started eight months ago. Charles asks Maria if she would like to go to Italy with him for a skiing holiday. Maria agrees. Charles pays for the holiday on his credit card. The cost is £2500 in total. However, a week before the holiday Maria meets Will. She calls Charles and explains that she is now Will's girlfriend and she doesn't want the holiday. Charles is very angry. He demands £1250 from Maria and says she has to pay. She says she thinks the holiday was a present from him. Charles says the holiday was not a present because Maria has a great job and makes more money than him.

Do they have a contract? Why/Why not?
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My reasons:
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that the vocabulary that
We will return to this question later to check your conclusion. First, we need to look at the vocabulary that
We will return to this question later to check your conclusion. First, we need to look at the very you need to be able to talk about the elements of a contract according to English and American law.
to this question later to check your same according to English and American
We will return to this question with alaments of a contract according to
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the tion or not. The

The English courts have an objective test to decide if a contract exists in a particular situation or not. The court looks for a list of things that are the necessary elements of a contract. Look at the words in the box and circle those that you think might be one of the elements according to English law. Then look at the explanation on the next page to see if you are correct.

explanation on the next	page to see	motivation	proposal
subject	offer	acceptance	value
object	topic	intention	price
consideration	receipt	ed in this way	

The elements of an English contract are from the common law. They might be different from the element of a contract in other countries. The elements of an English contract are:	
of a contract in other countries. The elements of an English contract are:	The elements of an English contract are from the common law. They might be different from the elements
	of a contract in other countries. The elements of an English contract are:

- offer
- acceptance
- consideration
- intention.

The other words in the blue box are not elements of a contract according to the common law. However, they are all words that lawyers from civil code systems sometimes use. If you use the other words in the box you may have to explain what you mean to a lawyer from the common law system.

Exercise 3

Read the information below about the elements of a contract. Complete the text below by writing the correct element of a contract after its description.

To form a binding contract according to English law, four elements must be present.

- The first of these is where one of the parties makes a proposal to the other party. The proposal is on absolutely certain terms. For example, 'I will sell you my car cleaning business on 1 January for £20,000'. This proposal is called an (a)
- In order to make the contract valid, the parties must exchange something. Each of them must give something to the other, such as money, work or goods. In the above example one party exchanges a car cleaning business in return for £20,000. Each gives something to the other. If one party promises the other a gift (in return for nothing) then in a situation like this the parties do not usually have a contract. So, another element of a contract is (b)
- The courts look at the relationship between the two parties. The courts decide if the parties really want to make things legally binding in this particular situation or not. If I agree to do some work for my mother or my father did I really mean to make the agreement legal? Did I have (c)
- It is absolutely necessary that a person accepting an offer does not change the terms of the original offer. For example, if I say, 'I will buy your car cleaning business. But not for £20,000 as you ask. I will give you £15,000', then there is no binding contract because there was no (d)

Exercise 4

My notes:

Go back to your reasons for deciding whether or not Charles and Maria have a contract. Can you see all four elements? What do you think a judge from your country would say? It is one of those cases where it is difficult to give a definite answer.

81

Sometimes a contract cannot be made because the offer comes to an end before it can be accepted. In THE END OF AN OFFER other words, the offer is no longer open to acceptance. Lawyers refer to the people who make and receive the offer as follows:

- The person who makes an offer is called the offeror.
- The person who receives the offer is called the offeree.

Jumbled words. In each of the situations described below the letters of one of the words are mixed up. Put the letters in the correct order to spell the words. The first letter of each word is there for you. Then give the name of the offeror and the offeree in each situation.

a David Jackson has a new job. When he starts work the company, DDS Furniture Ltd, offers him shares in the company at a special, cheap price. A year after he starts the job he decides to accept the offer to buy the shares. His employer tells him he cannot accept the offer. This is because the offer has (ELPDAS). It means too much time has passed.

L (ELPDAS). It means too much and	
The offeror is	
The offeree is	
b Julie Smith buys a new computer. She advertises her old one for sale for £50. All suggests paying Julie £30. Julie refuses. Alex then suggests £40 but Julie refuse is that Alex made a C (TREUNOC-ORFFE). The legal effect original offer.	ex Harrison calls and s. Julie says the reason t is to cancel the
The offeror is	
The offerer is The offeree is	
 Jamie Hammond decides to sell his car to Ben Wardle. Ben says, 'No thank yo R (CJEDETER). The legal effect is to cancel the offer. The offeror is	u'. The offer was
The offerer is	_
	se of £190,000. Andrea
d Mia Thomas decides to sell her house. She offers the house for sale at a prior Stewart decides to buy it. However, before Andrea can accept the offer, Mia decides to keep the house. The offer is R (KVDREEO) or in the offer.	
The offeror is	
The offeree is	

WHAT IS CONSIDERATION?

Read the following text. It is about consideration in contract law. Choose the correct word from the text to complete the sentences below.

Offer and acceptance are not enough to make a contract. There also needs to be two other elements. They are:

- intention to create a legal relationship, and
- consideration.

What is consideration? Consideration is what one party promises to give to, or promises to do for, the other party. Both parties need to provide consideration to make a contract valid. There are many precedents in English law where judges decide what is good consideration and what is not.

Consideration is usually one of the following things:

- a promise to do something
- a promise not to do something in the future (sometimes called forbearance)
- goods
- services
- money.

A promise of a gift or of a free service does not usually create a contractual situation according to

English law. This is because one of the parties has not provided consideration. To make a contract both parties must give something or do something for the other in a kind of exchange. A lawyer describes this by saying that consideration must be reciprocal. It must travel in both directions. If consideration is a good thing for a party and is positive in nature, we say that he or she has gained a benefit. Receiving a payment of money would be an example of this. However, sometimes the consideration provided is negative in nature. Let's imagine an employee agrees in his or her employment contract not to start a business for two years after the contract terminates. He or she has promised not to do something in the future. We say that this party has suffered a detriment.

I promise to tidy a friend's garden because she is ill. I don't want to be paid. However, I am busy and I don't tidy the garden for her. Is our agreement a contract? No, it isn't. Why not? It is not a contract because one of the parties to the agreement has not provided consideration.

Consideration is a fundamental principle of English contract law.

а	As well as offer, acceptance and consideration, the parties to a contract need to have to create a legal relationship.
b	To make a legally binding contract both parties must consideration.
С	To find out what is good consideration for a contract I need to check the relevant to see what judges say about it.
d	A promise not to do something in the future can be good consideration for a contract. Lawyers usually call this
е	Both parties to the contract must provide consideration, in other words it must be
f	If I receive something positive under the contract I gain a
g	If I lose something under the contract I suffer a

Contract wordsearch. Look in the grid below and find the following words. The words can be found in

any direction.		The same of the sa	consideration
acceptance	offeror	source binding	obiter
detriment	case	ratio	benefit
revoke	precedent intend	offer	factor
contract	Intend		

CO	ntra	CT																	T	T	1	1
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	_	C	С	+	E	P		T	Α		N	С	-	E)		+	V	C	+	С	Χ	7
A	-		-		0	F	+	E	Ν		D	R		С	L	+			+	T	T	7
F		Α	F	-+		-	+	R	F	+	1	E		E	T		В	0	+		-	-
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-		T	+	0	E	C		W	R		G	1	2.		1	-	E	+	7	0	E	3
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	D	E	-		1	+	N	+	+	1	10		E	F	٦	A	1	1		+	+	R
	S	(0	С	1	1		-	-+	 E	+	\top	N	1	Т	L	/	4	S		7	
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CONTRACT AND STATUTE

Much modern contract law comes from statute. You are going to read about statute. Read the text and write the highlighted words in the text next to the meanings given on the next page.

The **common law** is one source of contract law. Another is statute.

A statute is a law made by **Parliament**. We can say that judges make the common law but Parliament creates statutes.

A statute passes through three stages:

The House of Commons This is the most powerful of Parliament's two chambers. These chambers are usually known as Houses. The House of Commons has 650 members, who are **elected** when the whole country votes in a general election. These members of the House are called MPs. A statute

begins in this House. The House of Commons has only 427 seats. When it is full a lot of people have to stand!

The House of Lords

This is Parliament's second chamber. Its main function is to check new laws, which were proposed in the House of Commons. The House of Lords has 786 members who come from a variety of backgrounds. This House has limited power to stop a proposed statute from becoming law, but it can slow it down. Members of this House are not elected. Most members get their seats from the monarch (the King or Queen) on the advice of the Prime Minister.

The Monarchy

The monarch has to give permission before a new statute becomes law. This is because the

King or Queen is the Head of State. This permission is called giving the 'Royal Assent'. However, the monarch always accepts the advice of his or her government. In fact, the monarch does not even have the full text of the proposed statute, only the title of it. The last monarch to reject a proposed statute was Queen Anne, who died in 1715.

There are three words for the law made by Parliament. They refer to the same thing. They are:

- Statute. This is often called statutory law
- Acts of Parliament
- Legislation. This is the collective word for all the laws Parliament creates.

Ex	ample: The law that comes from the decisions of judges and is based on precedent. Common law
a	The main law-making body in England
b	Members of Parliament
С	A law made in Parliament
d	Chosen by the people to be a political representative.
е	A word meaning all of the laws made by Parliament.
f	A system of choosing new Members of Parliament. All of the people have a vote.

Exercise 2

Read the text about statute carefully and decide if the following statements are true or false.

a	A statute is the same thing as an Act of Parliament.	True	False
b	A statute always starts in the House of Lords.	True	False
С	Members of the House of Commons are elected but members of the House of Lords are not.	True	False
d	The King or Queen often stops a new statute if they disagree with it.	True	False
е	Legislation is another word for a single statute.	True	False

Look at this very short text. It is about a statute. Look at the words that are highlighted in the text. Without using a dictionary decide if each word is a verb or a noun.

The Unfair Contract **Terms** Act (UCTA) 1977 is an example of a statute that deals with contract law.

This statute **places** some **restrictions** upon the contract terms people can agree to. One particular part of it deals with the ways in which people that are selling something can limit their **liability** for negligence.

(dcais me	
	Noun seedman task battele ion au seedman
Verb	

Here are the definitions of the highlighted words in Exercise 3. Put the correct word into each sentence to complete the definition.

complete the definition.	is a piece of business, such as buying or selling something.
a A	is a piece of business, or include something.
b To	something is to deal with, or include something.
c A	_ is a limit that is put on something. _ is a limit that is put on something. _ is a limit that is put on something.

С	AIS a little discovery	means that you have legal responsibility for it.
	for something it	means that you have reg
d	If you have	ntents. It means the conditions and duties that you
	of a contract are its cor	ntents. It means the domains
е	The of a defined agree to perform when you enter into the contract	•
	agree to perform when you once we	they are allowed to c

	agree to perform when you critically	e is to put limits upon what they are allowed to do.
	a restriction upon someone	e is to put littles aport and
f	Тоа тезитель.	

Using the words 'term' and 'terms'. These can be confusing words because they can have more than one meaning when lawyers use them.

Read the explanation about the meaning of these words. In the sentences opposite, decide which of the four options you need to complete the sentence. Then identify which meaning of the word is the correct one.

Terms

1 terms: All of the duties and conditions contained in a contract.

Example sentence: She explained the terms of the contract to her client.

2 terms: Words and expressions.

Example sentence: A lawyer sometimes uses legal terms that his client might not understand.

- 1 term: A single duty or condition contained in a contract. It is sometimes called a provision.
 - **Example sentence:** There is a term in this contract that forbids you to sell goods in Australia or New Zealand.
- 2 term: The duration of a contract. **Example sentence:** The term of this contract is one year from the date of signing.

Ех	cample: The <u>term</u> of this contract is one year, commencing on the date of signature. (<u>term 2</u>)
а	Some of the used in this letter are very old-fashioned and lawyers don't really use them any more. ()
b	For the entire of this contract the Employee shall not disclose any confidential information to any third party. ()
С	There is usually a in most commercial contracts dealing with the jurisdiction of the contract in case of disputes. ()
d	When you sign a contract you agree to all of the that it contains. ()
	Help desk
	What do these words mean?

third party - someone who is not one of the two main parties involved in a contract or a particular situation.

jurisdiction – legal power over a geographical area or people.

condition – something that you have to do in order for something else to happen.

entire - complete or whole.

disclose - tell.

READING CONTRACT LAW

Exercise 1

You are now going to read more about contract law. The most important words are in the key vocabulary below. Decide if the statements on the next page are true or false.

Key vocabulary

contrary to

- under duress comply with
- contract under seal

capacity to contract

party in breach

- enforceable
- donation

sum

- void
- voluntarily
- injured party

breach

In general, businesses are free to enter into whatever contracts they agree between themselves. However, business contracts must not be contrary to (against) case law or Acts of Parliament such as the Unfair Contract Terms Act. If the contents of a contract, usually called the terms and conditions, do not **comply with** the law, meaning they don't follow the law correctly, then a judge will probably decide that the contract is **void**. Void means 'empty'. It is not an enforceable contract. It is not a contract that a court will recognise as valid.

It is a general rule that both parties to the contract must have **capacity to contract**. This means that when a person signs a contract they must be:

old enough to consent (say yes) to it; and

consent

discharged

deed

- not mentally ill; and
- not drunk or using drugs.

It is another general rule that both parties must enter into the contract **voluntarily**. This means that they must have signed it freely and not under duress (pressure).

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A contract may be:

- written; or
- oral (spoken); or
- in the form of a deed.

A deed is sometimes called a contract under seal. It is a special contract that is legal even though one of the parties has not provided consideration. A promise of a gift or **donation** for example, can be a valid contract if the agreement takes the form of a

deed. An oral contract is binding according to English law. Even if a contract involves a large sum of money, it is still valid if it is not written.

When a contract comes to an end we say that the contract is discharged. If the contract is discharged because one of the parties does not fulfil their obligations it is called a **breach**. If one party breaches the contract the injured party can sue the party in breach. The injured party is the claimant and the party in breach is the defendant.

False

True

the nublic	True	Faise
Acts of Parliament concerning contract law are to protect the public		
Acts of Parliament Concerning of Acts of		
and they do not affect businesses	True	False
the enforceable by a court.	ST.''M. esem	
b If a contract is void it will not be enforceable by a court.	True	False
c If I sign a contract after drinking a whole bottle of wine and three	ITUE	
a lift sign a contract after drinking a whole bottle of the		
beers the contract might not be valid.		False
peers the contract where	True	raise
d In very special circumstances it is possible to have a contract where		
d In very special circumstances it is positive one of the parties does not provide consideration.		contained to
one of the parties does not be	True	False
e The injured party and the party in breach are the same person.		
e The injured party and the party in a se		
omplete de Schristing		
Exercise 2 Choose a word or phrase from the key vocabulary in Exercise 1 to complete the	e sentences b	elow.
Exercise 2		
a You are only 16 years old so you do not haveto contra	ict.	
and 16 years old so you do not have		u balcas tho
a You are only 10 years old 11 y	nsideration us	ually takes the
t that is valid even though one of the parties has not provide		
 You are only 16 years old so you do not have		
form of a contract under	_ of	money it does
form of a contract under c We made an oral contract and even though it involves a very large Let be in writing to be valid.		
c We made an oral contract and even and g		
not need to be in writing to be valid.	ding performan	ice of all duties
not need to be in writing to be valid. d There are various ways in which a contract can be, included the property of t	ung perionina	
d There are various ways in which a contract can be	•	
or broach		
by a court.		
e If a contract is binding then it is by a court.	l la	we the right to
If a contract is binding then it is You did not fulfil your obligations under this contract and as the Traceh	i na	ave the right
Nou did not fulfil your obligations under this contract and		
Sue you for broad-	ess?	
g Did you sign the contract or was it signed under dure		
g Did you sign the contract	Act and the te	rm is therefore
the Sale of doods		
g Did you sign the contract or wash One of the terms of this contract is the Sale of Goods		
not valid. i If I promise to make a to a person or an organisation to a group of takes the form of a deed.	on it is a legally	binding contract
to a person or an organisation	III II II II IOGS)	
i If I promise to make a		
i If I promise to make a the agreement takes the form of a deed.	A ata of Da	rliament.
the agreement takes the form of a decor. j Any private agreement must all relevant law, included the private agreement must all relevant law.	ling Acts of Pa	marrio
Any private agreement must	*	a
J Any private agree		© Global Legal E

GOING TO COURT

The following exercises are about a dispute. This dispute is about a breach of contract.

Exercise 1

Read the facts and decide if the statements that follow are true or false.

John Oliver is the owner of a car business called Oliver's Auto. John Oliver sells second-hand (used) cars in Chatsworth. Many of the cars that John Oliver sells previously belonged to a taxi company. Two months ago, John Oliver sold a car to a woman named Susan Hicks. Susan Hicks paid for the car by cheque. The cost was £1000. The car was not a good one. It stopped working twice in the first week that Susan bought it. Susan was angry and went to John Oliver's office. Susan asked John Oliver to give her a different car. He refused. Susan telephoned her bank and cancelled the cheque. John Oliver did not receive any money. The car is at Susan's house. The car will not start. Susan telephoned John Oliver last week and said he can collect his broken car any time he wants to. John Oliver refused. He decided to sue Susan Hicks for breach of contract on the grounds that she did not pay him.

Yesterday Susan received a claim from Chatsworth County Court, which is the local civil court. John Oliver is claiming £1000 from her for the car, plus a court fee of £60. His total claim is £1060.

a John Oliver owns a taxi business in Chatsworth.	True	False
b Susan Hicks did not pay in cash for the car she bought from John Oliver.	True	False
c Susan Hicks telephoned John Oliver to ask him for a different car.	True	False
d John Oliver collected the car from Susan's house last week.	True	False
e John Oliver is not claiming any interest on the £1000 he says Susan owes to him.	True	False

Exercise 2

Susan now receives a claim from Chatsworth County Court. There are some words in the claim form that she does not understand. Her questions are below. Match her questions with the correct answer.

а	What is a claimant ?	It means to start an action against someone in the civil court. (1)
b	What is a defendant ?	It is something that you suffer as a direct result of the breach of contract. (2)
C	What does sue mean?	It is something that you suffer as an indirect result of the breach of contract. (3)
d	What does defective mean?	It is the person who starts the legal action. (4)
е	What is direct loss?	It is the person who the claimant is making a claim against. (5)
f	What is consequential loss?	It means faulty – not working correctly. (6)

#
34
F
2
E .
ati
9

Use the highlighted words from Exercise 2 to complete these sentences.

Use	se the highlighted words from Exercise 2 to compare	and I
а	se the highlighted words from Exercise 2 to compare the highlighted words from Exercis	is an immediate
	cannot sell things that do not work property. b Mr Wilkes breached the contract because he delivered the goods two weeks late. A result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel result of this I suffered a loss of £2000 because I could not sel loss of £2000 becaus	
	buyer who was waiting for them.	inty Court.
С	buyer who was waiting for them. you in the Cou You must pay what you owe me at once or I will you in the Cou he decided to pay t	he money that he
d	 You must pay what you owe me at once of the he decided to pay to the claim form was served upon the he decided to pay to owed to the claimant. 	ne breach. A court will
(owed to the claimant. The loss that you suffered as a breach of the contract was not a direct result of the say that this is loss. 	in three
	say that this is roots f Several people owe money to my business and as a result I am the different cases in the County Court.	

UNIT 3A VOCABULARY CHECK

These are the important words that you have studied in Unit 3A. You should make sure that you know these words before you go on to Unit 3B.

acceptance	injured party
Act of Parliament	intention
b enefit	issue
binding	j urisdiction
body of laws	legislation
breach	liability
c apacity	Member of Parliament (MP)
case	monarchy
claimant	
common law	o biter dictum
comply	obliged
condition	offer
consent	offeree
consequential loss	offeror
consideration	p arties
contract	party in breach
contract under seal	place
contrary	precedent
courts of first instance	principle of law
cover	pronouncement
d eed	propose
defective	ratio decidendi
defendant	reciprocal
detriment	recorded
direct loss	relevant
discharged	restrictions
disclose	revoke
dispute	s enior court
distinguishable	source of law
donation	statute
duress	sue
duty	sum
elected	t erm
enforceable	terms
entire	third party
factor	transaction
forbid	
	u nconditionally
general election '	v alid
H ouse of Commons	void
House of Lords	voluntarily

TOLES FOUNDATION EXAM PRACTICE

Look at the groups of words below. In each group, three of the words belong to the same subject area but there is one word that does not belong. Put a circle around the word that is the odd one out. Do not circle more than one answer for each sentence. There is an example at the beginning (*).

more than the			C (binding)	D consideration
(*)	A offer	B acceptance		D statute
(1)	A common law	B precedent	c ratio decidendi	
	A revoked	B rejected	C factor	D lapsed
(2)		B obiter dictum	c election	D Parliament
(3)	A MP		c contract under seal	D duress
(4)	A donation	B deed		D legislation
(5)	A sue	B claimant	C defendant	

Read the following pairs of sentences. For each pair of sentences there are two possibilities, A or B. Decide which sentence uses the correct preposition. Write your answers in the box below. There is an example at the beginning (*).

Example

- (\star) (A) Contracts must not be contrary to Acts of Parliament.
 - (B) Contracts must not be contrary at Acts of Parliament.
- 1 (A) A precedent is binding upon later cases that are the same or similar in nature.
 - (B) A precedent is binding to later cases that are the same or similar in nature.
- 2 (A) The lowest courts are called courts for first instance.
 - (B) The lowest courts are called courts of first instance.
- 3 (A) The company offered David some shares on a special price.
 - (B) The company offered David some shares at a special price.
- 4 (A) Forbearance is a promise not to do something in the future.
 - (B) Forbearance is a promise not to do something at the future.
- 5 (A) The contract is not valid because Mr Jackson signed it against duress.
 - (B) The contract is not valid because Mr Jackson signed it under duress.

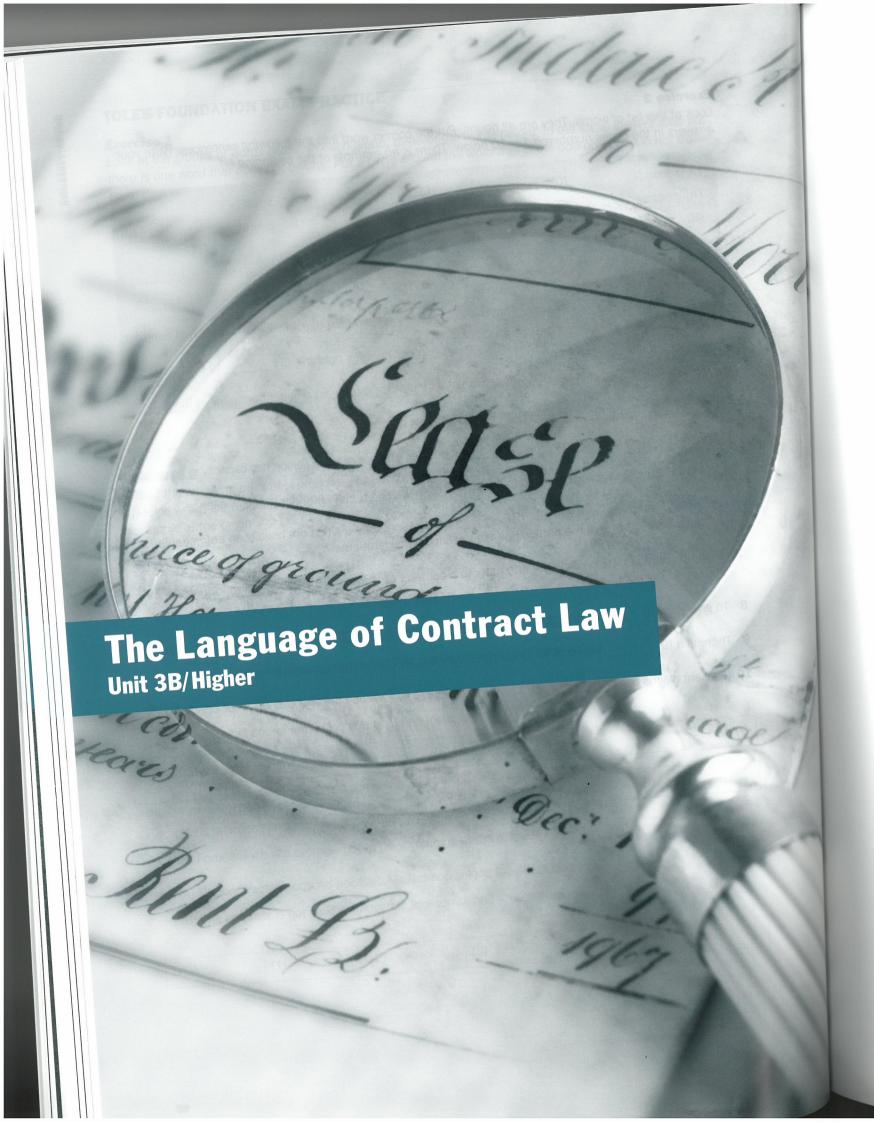
(+) A	(1)	(2)	(3)	(4)	(5)
(*) A	(1)	(2)			

Exercise 3

(AA) loss

Look at this list of words. They are all nouns. Put the correct word into the following sentences. Write your answers in the boxes numbered 1-10 below. There is an example at the beginning (*).

		loss			sum	(F)	term	(I)	- 1	iability	
	(A) (B)	capacit	Alleren (Clinical		detriment	(G)	consent	(J)	0	dispute	
	(0)	uonauo	m	(E) 1	actor	(H)	offer				
_		I.									
	xamp										
(*	A dı	rect (*) _	is	somet	hing that the inju	ured p	arty suffers a	as a direc	t re	sult of a br	each of contract.
1	The	boy is on	ly 14 yea	rs old s	so according to E	nglish	n law he does	s not hav	e (1)	to contract.
2	Whe	n the par	ties to a	contrac	ct exchange cons	sidera	tion they mu	st gain a	ben	efit or suff	er a (2)
3					nployment contra						
7	A pe	rson's age	e is one in	nportan	t (4) tha	at dec	ides whether	or not a p	erso	on has capa	acity to contract.
5	In th	e UK the	common	law sa	ys that acceptan	ce of	an (5)	canno	ot be	e made by	silence.
6	In Er	ngland a p	oromise o	f makir	ng a (6)	or giv	ing someone	e a gift is	not	usually an	enforceable
	prom	nise beca	use one c	of the p	arties has not pr	ovide	d considerat	ion.			
7	7 In some countries it is possible for one party to a contract to limit his or her (7) for negligence under that contract.										
8	To gi	ve your (8	3)	_ to so	mething means	to giv	e your permi	ssion for	som	ething to h	nappen.
9	There	e is a (9)	k	oetwee	n Mr Greene and	d Mr (Cox. Mr Gree	ne issued	ас	laim last w	veek.
10	My cl	ient clain	ns the (10))	of £5000 in	dam	ages.				
					_		J				
(*) AA		(1)		(2)	(3)	(4)		/5	5)
					\/	(,		(4)		(8	5)
			(6)		(7)	(8	3)	(9)		(1	10)



THE LANGUAGE OF CONTRACT LAW

WHERE DOES CONTRACT LAW COME FROM?

Exercise 1

Jack Winter and Shelley Hirst are first-year law students at the University of Chatsworth. Their studies will begin with contract law. The head of the law faculty has asked first-year students to read a book called 'An Introduction to English Contract Law' before they come to their first lecture. The first section of the book that Jack and Shelley have to read is about the sources of English law. This page is on the subject of statute. Fill the gaps in the text with a word or phrase from the box below.

amendments	drafted	into force	• rejects	administrative
• MP	formality	legislation	approves	elected

An Introduction to English Contract Law

Chapter 1: Sources of English law

In England there is no civil code. English contract law is therefore not codified. Instead we derive our law from two main sources, which are statute (law made by Parliament) and case law (law made by judges).

Statute

A statute is also called an Act of Parliament. In England, statutes have been the most common source of new contract law since the 17th century. A new statute passes through three stages:

Stage 1: A proposal is made for a new law. A proposal can come from either a government department or an individual (a) _______. This stands for 'Member of Parliament'. If the proposal comes from a government department, then it will usually be (b) _______ by a lawyer in the Civil Service. The Civil Service is the organisation which manages the government's (c) ______ affairs. This proposal for a new Act of Parliament has to be drafted, sometimes called 'drawn up', so that it accurately states the government's intentions and it must be as unambiguous as possible in the language that it uses. Instructions as to what is to be included in the proposal are given to the Civil Service by the government department responsible for it. When the proposal is drafted and published, it is then referred to as 'a Bill'. A private member's Bill is a Bill put forward for consideration by an individual MP. Relatively few private members' Bills become law as compared to those introduced by the government. A Bill is debated in the House of Commons. If the House of Commons (d) ______ a Bill, which it does by taking a vote, then it is passed on to the next stage.

Stage 2: The House of Lords now debates the Bill. The members of the House of Lords can suggest

(e) _______ to the Bill, and if they do so, it will go back to the Commons for its consideration of the proposed changes. The power of the House of Lords is limited and a Bill can become law even if the House of Lords (f) _______ it. This is because the role of the House of Lords is to advise and to make suggestions about the law, rather than to formulate it. The process reflects the fact that the House of Commons is a democratically (g) ________ body and the House of Lords is not. When a Bill has passed through the House of Lords it goes on to the final stage.

Stage 3: The monarch (the King or the Queen) gives the royal approval to the Bill. This is called Royal

Stage 3: The monarch (the King or the Queen) gives the royal approval to the Bill. This is called Royal Assent. This is actually only a (h) ______, as the monarch does not even see the full text of the Bill. Once Royal Assent is given to a Bill, the new Act of Parliament will come (i) _____ on the date stated in the Act itself, or at midnight on the day that Royal Assent is received. All of the statutes created by Parliament are known collectively as (j) _____.

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a source of law to suggest an amendment

• to **issue** a new precedent

to draft a Bill to make a decision

• to **decide** a case

to draw up a Bill

Collocation bank

to form a new law

• to make a

to debate a Bill

to hand down a judgment

proposal/suggestion

The second page of the book that Jack and Shelley have to read contains information on the subject of case law. Fill the gaps in the text with a word from the box below.

binding	judgment	distinguishguidance	precedentcommon	
judge	instance	guidano		

Case	law

Case law comes from judges. It is also known by two other names. These are:

mt - (a)	law, and
• The (a)	- do law
• (b)	made law.

If a judge makes a decision on a point of law that has never been considered in court before, the judge's decision can become a statement of law. In the English legal system this statement forms the law for the

An important principle of the system of precedent is that the legal reasons for past decisions must be given, or 'handed down', at the end of a case includes the judge's reasoning in giving his or her decision. In other words, as well as giving a summary of the facts of the case, a judge will also explain the principle of law he or she used in coming to the decision. These reasons for deciding the case are known as the 'ratio decidendi' and this is what creates the precedent for future judges to follow. The rest of what the judge says is known as the 'obiter dicta' and judges in future cases do not have to follow it. It can be problematic for lawyers to separate the ratio decidendi from the obiter dicta because the judgment does not contain any (e)

There are two important factors in deciding whether a judge's decision becomes (f) upon future cases, meaning that there is an obligation to follow it:

- The decision that forms the precedent must have come from a court senior to the court hearing the later case. Judges at the lower levels of decision-making, often called courts of first ____, do not generally issue binding precedents.
- The facts of the later case must be similar enough to the facts of the precedent case. A judge can decide that the material facts of the case before him or her are sufficiently different to allow him or her to _ between this later case and the precedent.

It is also possible for a court in a later case to decide that the precedent created by an earlier case should no longer be the controlling law and a new precedent is set. This is called overruling. However, the later court must be of a higher level than the original court. The Supreme Court, which is the highest court in the UK system, can overrule its own earlier decisions. After The Supreme Court, some decisions can be

Case law and statute are where most English law and certainly most English contract law come from. overruled by the European courts.

To find out more or to read some cases you can visit the law reports website at www.lawreports.co.uk

To find out more about statute or to read some modern statutes from the UK you can visit the website of the Office of Public Sector Information (OPSI) at www.opsi.gov.uk

Preposition bank

- a source of law 'Legislation is the UK's most important source of law.'
- to be drafted by a lawyer 'This Bill was drafted by a lawyer in the Civil Service.'
- to put an idea forward for consideration 'This idea was put forward for consideration by the Department of Health.'
- to suggest an amendment to something 'The House of Lords is suggesting two significant amendments to this Bill.'

- to come into force 'The new Act of Parliament will come into force at midnight tonight.'
- a precedent is binding on/upon lower courts 'A precedent from 1908 is binding upon the court in this type of situation.'
- to be made by someone or something 'This decision was made by a judge in 1985.'

to pass through a stage (that is one of

several stages) 'The proposal for a new Education Act is still passing through the early stages.'

Exercise 3

Here is a short text about statute. Complete the gaps in the text with the correct preposition from the box below.

• for	through	• into	• to	
• on	• of	• as	• from	

The UK does not have a civil code. Its laws therefor Until the 17th century, the common law was the m After that, Acts of Parliament, otherwise known (c) of law.	ost important source (k) law.	
A Bill is the name given to a proposal for a new star Parliament's consideration by an MP or by a govern (e) several stages before it becomes for Commons. A vote is taken (f) Lords. The House of Lords can suggest amendment the Bill from becoming law. The final stage is Royal (h) force.	nment department. A Bi mes law. The first of the the Bill and if it is appro ts (g)	II has to pass ese stages is usually the F oved it will pass to the Ho the Bill but it cannot pre	use of vent

You are now going to read part of a statute that deals with contract law. The complete statute has ten sections and is six pages long. This is part of Section 1, which forms the first page of the statute. It deals with the rights of people who are not one of the parties to a contract but who may have rights under that contract in certain circumstances.

ELIZABETH II

c. 31



Contracts (Rights of Third Parties) Act 1999

1999 CHAPTER 31

An Act to make provision for the enforcement of contractual terms by third parties.

E IT ENACTED by the Queen's most Excellent Majesty, by and with Bett enacted by the Queen's most excellent majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1.—(1) Subject to the provisions of this Act, a person who is not a party Right of third to a contract (a "third party") may in his own right enforce a term of the contract if-

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- (a) the contract expressly provides that he may, or
- (b) subject to subsection (2), the term purports to confer a benefit
- (2) Subsection (1)(b) does not apply if on a proper construction of the contract it appears that the parties did not intend the term to be enforceable by the third party.
- (3) The third party must be expressly identified in the contract by name, as a member of a class or as answering a particular description but need not be in existence when the contract is entered into.
- (4) This section does not confer a right on a third party to enforce a term of a contract otherwise than subject to and in accordance with any other relevant terms of the contract.
- (5) For the purpose of exercising his right to enforce a term of the contract, there shall be available to the third party any remedy that would have been available to him in an action for breach of contract if he had been a party to the contract (and the rules relating to damages, injunctions, specific performance and other relief shall apply accordingly).

Exercise 1

Read the page from the statute, Contracts (Rights of Third Parties) Act 1999, on the previous page. Some of the words and expressions used in the statute are explained below to help you.

a contract provision is a term contained in a contract.

a third party to a contract is a person who has not signed the contract but may be affected by it.

to enforce a term is to make sure that the term is obeved.

to expressly confer a right or a benefit upon **someone** is to write in a contract that a person definitely has that right or benefit.

the construction of a contract is the interpretation of it. The verb is to construe, meaning to interpret.

an enforceable term or an enforceable contract is a term or a contract that a court will recognise as valid and will give a solution,

known as a remedy, to the injured party if the term or contract is breached.

to be a member of a class is to be a member of an identifiable group of people.

a remedy for breach of contract is a solution provided to an injured party in cases of breach. It is sometimes called 'relief'. The remedy is usually damages but there are other solutions, or relief, available at the discretion of the court.

an injunction is a court order that orders the party in breach to stop behaving in a way that breaches the contract. It is generally an order to stop doing something.

specific performance is a order from the court that obliges the party in breach to do what they promised to do under the terms of the contract.

Match each explanation below with the correct subsection of the statute. The statute has five subsections, which are clearly numbered 1-5.

а	This subsection says that a third party may not enforce a right if a correct interpretation of the contract concludes that the parties did not actually intend that the third party should be able to enforce that right
	This describes subsection
b	This subsection says that the third party who wishes to enforce a right must be clearly named in the contract or be a member of a group of people that is clearly named in the contract. This section also says that the third party does not need to exist at the time the contract is made. This gives rights to third parties such as unborn children or future husbands or wives of the contracting parties.
	This describes subsection
С	This subsection says that a third party can enforce a right if the contract clearly states that he or she may do so. This section also says that if a contract term clearly gives a benefit to a third party, then he or she can enforce that term.
	This describes subsection
d	This subsection says that if a term is enforced the court can give the third party any of the usual remedies available to any person who brings a claim for breach of contract. This section also says that the normal rules of law that apply to remedies will apply in the normal way to third party claims.
	This describes subsection
е	This subsection says that if a third party wishes to enforce a contract term he or she can only do so subject to any other term in the contract that is relevant. This means that the parties to the contract can limit or place conditions on the third party's right. There may be another term, for example, that says that any dispute must be resolved by mediation. The third party would have to comply with this term when enforcing his or her right.

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This describes subsection

You are now going to read two short extracts from another statute. They are from The Unfair Contract Terms Act (UCTA) 1977. In this statute, Parliament states what is acceptable to include in a contract and what is not acceptable. This part of the contract deals with the situation where one of the parties tries to limit his or her liability for a breach of duty.

Here is a summary of a short extract from UCTA, followed by the extract itself. The summary says the same thing as the statute, but it uses less complicated language. Read the summary to help you understand the meaning of the extract from the statute, and then complete the extract by choosing a phrase from the blue box below.

Summary of paragraph 16 (subsection 1) of UCTA

This subsection says that if, in a contract, one of the parties attempts to prevent or limit his or her liability for breach of duty of care in situations connected with doing business or using a building for business purposes, then:

- the term will always be void if one of the parties tries to prevent or limit his or her liability for
- in any situation except death or injury, the term will be void if it was unfair or unreasonable to allow it in the contract.

Extract from UCTA 16.1 Where a term of a contract (a) or residue of death or personal injury; or residue of residue of the occupier, that term: or residue of residue of the occupier, that term: where such exclusions of death or personal injury;	usion or restriction is in respect
of death or personal injury, 16.1.2 shall, in any other case, (e) in the contract.	at fair and reasonable

purports to exclude

arising in the course of

void in any case

have no effect

On the next page is another extract from the same statute, The Unfair Contract Terms Act. Below, you can see a summary of this extract. Choose a preposition from the blue box and put it in the correct gap in the extract.

occupation of any premises

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incorporate the term

Summary of paragraph 16 (subsection 3) of UCTA

If according to subsection 1 (the part of this statute that you have already read), a term of a contract is void, then it is not important whether the person who signed the contract knew about that term. Knowing about a term, or even agreeing to that term, does not necessarily mean that the person who signed the contract agreed to take any risk.

Extract from UCTA
16.3 Where (a) subsection 1 (b), a term of a contract is void and has no effect, the fact that a person agreed (c), or was aware (d), the term shall not (e) itself be sufficient evidence that he knowingly and voluntarily assumed any risk.

• of	• to	above	under	• of	

THE ELEMENTS OF A CONTRACT

Exercise 1

Jack Winter went to his first lecture on contract law at the University of Chatsworth this morning. He learned something about how a contract is formed. Look at Jack's lecture notes below and give each paragraph a heading from the box.

Intention to create a	Consideration	Offer
legal relationship	ife. They stayed in England until As	England with the binintiff, big up
logar relationship	 Acceptance 	

Lecture notes on contract

There are basic elements to every contract. In English law we usually need four essential things (elements) to make a legal contract. In each country around the world the list of elements needed to make a contract will be different. In English law there are four elements of a

present, a contract will be different. In English law there are four elements. If all four elements are present, a contract is formed. If one or more of them is missing then there is no valid contract.
The four elements of a contract
a
Generally in English law, there can be no contract unless this exists. It is the name given to what the parties exchange under the contract. It is usually money, goods or services.
b
It is something that a party says or writes to another person. It is a statement that suggests that the make a contract on very certain terms. The person who makes this statement wants it to be legally
binding when the other party agrees to it.

The courts judge this objectively. The English case of Smith v Hughes (1871) tells us that the important thing is not a party's real purpose or aim but how a reasonable person would look at the situation. The precedent cases tell us that parties who are in business are usually considered to have this but that parties who make an agreement in a domestic or social situation usually do not.

It can be defined as, 'a final and clear agreement to terms that have been offered'.

a In which court was this case heard?

Read this extract from the case very carefully and answer the questions that follow using a full sentence.

is referred to as 'the plaintiff' because the case is an old one. The extract is an example of the ratio of a common law contract case. The ratio is the legal reasoning that forms the law for the future. The first part of the text below is explanatory notes. The case begins with the words of the judge, Lord Justice Atkin.

BALFOUR V BALFOUR

Court of Appeal (1919)

- (1) The defendant was a civil servant based in Ceylon. In November 1915 he came to England with the plaintiff, his wife. They stayed in England until August 1916, when the husband's holiday period ended and he returned to Geylon. The plaintiff, on her doctor's advice, stayed in England. The husband, before leaving, promised to give the plaintiff £30 a month until she returned to Ceylon. Later the husband wrote saying that it would be better if they remained apart. The plaintiff sued on the promise to pay her
- (2) Sarjant J gave judgment for the plaintiff, holding that the husband was under an obligation to support his wife and the parties had legally contracted that the extent of the obligation should be £30 a month.

The husband appealed.

- (3) ATKIN LJ it is necessary to remember that there are agreements between parties, which do not result in contracts within the meaning of that term in our law. The ordinary example is where two parties agree to take a walk together, or where there is an offer or acceptance of hospitality. Nobody would suggest in ordinary circumstances that those agreements result in what we know as a contract, and one of the most usual forms of agreement which does *not* constitute a contract appears to me to be the arrangements which are made between husband and wife.
- (4) To my mind, those agreements, or many of them, do not result in contracts at all, even though they may be what as between other parties would constitute consideration for the agreement. Nevertheless, they are not contracts, and they are not contracts because the parties did not intend that they should be attended by legal consequences. To my mind it would be of the worst possible example to hold that agreements such as this resulted in legal obligations, which could be enforced in the courts.
- (5) The common law does not regulate the form of agreements between spouses. Their promises are not sealed with seals and sealing wax. Their consideration is really that natural love and affection which counts for so little in these cold courts.

b	What was Mr Balfour's occupation at the time of the case?
С	Why did the claimant not return to Ceylon with her husband?
d	What did the judge in the court of first instance decide?
е	What was the name of the judge in the Court of Appeal?
	rercise 2
In	each paragraph of the case find a word that matches the definitions provided for you.
Do	rograph (1)

	out of partiagraphs of the base mile a mora that materia		,o dominació promaca ver year
a	ragraph (1)	Pa	ragraph (4)
ì	A word meaning started legal action.	d	A word meaning to decide in a legal way.
	The word is		The word is
a	ragraph (2)	Pa	ragraph (5)
)	A word meaning the amount of something.	е	An old-fashioned word, meaning husbands $$
	The word is		or wives.
a	ragraph (3)		The word is
;	A more formal word that means 'word'.		
	The word is		

Exercise 3

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Say whether the following statements about the case are true or false.

a	The judge says that it is possible to have agreements that are not contracts.	True	False
b	The judge says that accepting an offer to have a meal with someone, for example, is usually a contract.	True	False
С	The judge says that what is consideration between other parties might not be consideration between spouses.	True	False
d	The judge says that there is generally no contract when a husband and wife make an agreement because they don't mean it to be a legal agreement.	True	False

Collocation bank

to give judgment for the claimant/defendant

the extent of an obligation

to constitute consideration

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Preposition bank

- to do something on someone's advice 'On my solicitor's advice I decided not to sue.'
- to continue to do something until a certain date
 - 'Your husband will be obliged to continue to support your children until they have all finished their education.'
- to sue on a promise 'She sued him on his promise to deliver the goods on time.'

- to give judgment for the claimant/defendant 'I'm sorry but the judge gave judgment for the other side.'
- to be under a legal obligation 'You are under a legal obligation to carry out your obligations.
- an agreement between two parties 'There was a clear agreement **between** us that you would provide half of the finance for this project.'

Jack and Shelley are doing their homework. The subject is offer and acceptance in contract law. Offer and acceptance are two of the essential elements of a contract. Jack and Shelley have decided to do half of the homework each.

Look at Shelley's homework. It is about the ways in which an offer can come to an end before acceptance can take place. Match the words or phrases in the list with the statements that follow.

How can an offer come to an end?

Susan Clarke offers to sell Holly Quinn two tickets to a music festival. The price is £100 for each ticket. There are five ways in which this offer can come to an end. These are:

- revocation
- rejection
- counter-offer
- lapse of time
- death of the offeror or offeree

'I'll give you £85 instead of £100 for each ticket.'
The word/phrase is

b	'Yo	ou know those tickets you offered to sell to me four months ago? I've decided to take them.'
	Th	e word/phrase is
С	Ί'ν	e changed my mind. The offer is no longer open. I've decided to go to the festival myself.'
	Th	e word/phrase is
d	Ίŀ	know Susan offered to sell some tickets to you but I'm afraid she has passed away.'
	Th	e word/phrase is
е	'No	o thank you. The price is much too high. Forget it.'
	The	e word/phrase is
ca	nno	of these situations no contract can be formed because the offer has come to an end and therefore it be accepted. This means that two of the elements that are essential to the formation of a contract issing.
Lo	ok a	tise 2 at Jack's homework. It is about how acceptance of an offer must be communicated. Match the nents of law in this list with the situations below.
	Н	ow must acceptance of an offer be communicated?
		olly Quinn agrees to buy two tickets to a music festival from Susan Clarke. To make her eceptance of the offer legally binding, how must the offer be accepted?
	1	The acceptance must be made to the offeror and not to anyone else unless the offeror has authorised it.
	2	The acceptance must be communicated. Acceptance cannot be by silence.
	3	The acceptance must be actually heard or received in writing to be effective.
	4	If the offer specifies a method of acceptance you must accept it using a method that is no less effective than the method specified.
	5	A request for more information is not the same as a counter-offer and will not have the effect of rejecting the original offer.
а		y offer clearly said that acceptance must be by sms text message or email. I did not receive your ter of acceptance by post until after I'd sold the goods to someone else.'
	The	e relevant statement of law is
b		ou told my brother that you wanted to buy the tickets but you didn't tell me. I'm afraid he was not in a sition to accept this.'
	The	e relevant statement of law is
С	'Yo	ou say that you accepted my offer by email. It never arrived.'
	The	e relevant statement of law is
d		answer to your question, the tickets offered for sale are for the lower stand on the right-hand side of stadium.'
	The	e relevant statement of law is continued
		Continued

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102

	u do not hear from me by five o'clock tomorrow please assume that I want to go ahead and buy
'If yo	u do not hear from me by five o'clock tomorrow piedos and
the t	ckets.
The	relevant statement of law is
any of	relevant statement of law is
ONS	SIDERATION Sit important to understand consideration? It is important because consideration is not just an original in contracts that you will have to understand or in contracts that you will have to understand or in contracts. The word 'consideration' will appear in contracts a writer and a film company. The
acade	mic part of law. The way is along from a contract between a writer arm
comp	ate. Look for example, at this clause from a contact that a solution is buying the rights to make the writer's book into a film.
	the Media Company shall pay to the
1.	consideration of the rights granted under this Agreement the Media Company shall pay to the
A	uthor the Licence Fee as follows:
	thic Agreement
	£25,000 upon signature of this Agreement. £25,000 upon the first DVD release of the film to the public in the UK
	tion is used in contracts.
	is a good example of how the word consideration is used in contracts.
Exe	Prcise 1 part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps.
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete essay by putting a word from the box into the gaps. • detriment unqualified
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete essay by putting a word from the box into the gaps. contrary contrary consent contrary consent consent
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete essay by putting a word from the box into the gaps. The essay by putting a word from the box into the gaps. The essay by putting a word from the box into the gaps. The essay by putting a word from the box into the gaps.
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Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary consent profit reason detriment unqualified reason reciprocal onations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary consent profit reason detriment unqualified reason reciprocal onations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary consent profit reason detriment unqualified reason reciprocal onations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and
Exe	Precise 1 Part of her homework, Shelley must write a short essay about consideration in contract law. Complete or essay by putting a word from the box into the gaps. Contrary Consent Preason Contrary Profit Preason Consent Preason Profit Preason Consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and Canada. The judge in that case defined consideration as: Some right, interest, (a) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b) Profit Or benefit accruing to the one party or some forbearance, (b)
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary consent profit reason terms detriment unqualified donations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and Canada. The judge in that case defined consideration as: 'some right, interest, (a) or benefit accruing to the one party or some forbearance, (b) the other.'
Exe	contrary consent detriment donations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and Canada. The judge in that case defined consideration as: 'some right, interest, (a) or benefit accruing to the one party or some forbearance, (b), loss or responsibility given, suffered or undertaken by the other.'
Exe	contrary consent detriment donations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and Canada. The judge in that case defined consideration as: 'some right, interest, (a) or benefit accruing to the one party or some forbearance, (b), loss or responsibility given, suffered or undertaken by the other.'
Exe	Part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary consent derms detriment donations suffer profit reason detriment donations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and Canada. The judge in that case defined consideration as: 'some right, interest, (a) or benefit accruing to the one party or some forbearance, (b), loss or responsibility given, suffered or undertaken by the other.' In other words, the parties must gain some benefit from what is exchanged or (c) some loss. Consideration is usually goods, money, work or services but it can be other things. In a yery simple example, if I sell my gardening business to you for £50,000, my consideration is the
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary consent profit reason detriment reciprocal donations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and Canada. The judge in that case defined consideration as: 'some right, interest, (a) or benefit accruing to the one party or some forbearance, (b), loss or responsibility given, suffered or undertaken by the other.' In other words, the parties must gain some benefit from what is exchanged or (c) some loss. Consideration is usually goods, money, work or services but it can be other things. In a very simple example, if I sell my gardening business to you for £50,000, my consideration is the business and your consideration is the money.
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary consent profit reason detriment unqualified donations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and Canada. The judge in that case defined consideration as: 'some right, interest, (a) or benefit accruing to the one party or some forbearance, (b), loss or responsibility given, suffered or undertaken by the other.' In other words, the parties must gain some benefit from what is exchanged or (c) some loss. Consideration is usually goods, money, work or services but it can be other things. In a very simple example, if I sell my gardening business to you for £50,000, my consideration is the business and your consideration. Your motive for contracting is your personal Motive is not the same as consideration. Your motive for contracting is your personal for contracting. It may not coincide with the consideration you are giving, or
Exe	Part of her homework, Shelley must write a short essay about consideration in contract law. Complete part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary
Exe	part of her homework, Shelley must write a short essay about consideration in contract law. Complete ressay by putting a word from the box into the gaps. contrary consent profit reason detriment reciprocal donations The final element of a contract is consideration. An English case from 1875, Currie v Misa, gave a definition of consideration which is still used today in the contract law of England, the USA and Canada. The judge in that case defined consideration as: 'some right, interest, (a) or benefit accruing to the one party or some forbearance, (b), loss or responsibility given, suffered or undertaken by the other.' In other words, the parties must gain some benefit from what is exchanged or (c) some loss. Consideration is usually goods, money, work or services but it can be other things. In a very simple example, if I sell my gardening business to you for £50,000, my consideration is the business and your consideration is the money.

elements of a contract. The consideration must be (e) __

104

continued

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consideration. The consideration cannot be an act or a thing which is illegal, immoral or to public policy. If a certain act is punishable by some law, then it is described as illegal. An example would be a contract to employ an (g) pilot to fly a plane. There is one type of contract that is an exception to the requirement of consideration and that is a deed, which is also sometimes known as a contract under seal. Many years ago, people entering into a contract would put hot wax on the bottom of the paper and press a family ring into it. This seal was a sign of (h) of the contract. In modern times, to the (i) deeds are used mostly in contracts that involve land. If a contract is a deed, then no consideration is required. This means that if, for example, (j) to charity are made under seal, they are valid contracts, even though there is no valid consideration.

Exercise 2

The clause below is from a contract. It deals with consideration. Complete the contract clause by putting the words from the blue box below into the correct gap.

In (a)	of all of the Services (b)	by ALT Services Ltd the Company
shall pay the (c)	of £10,000 subject to the (d)	
satisfactory completion	of work.	

provided	consideration	provision	• sum

Collocation bank

to revoke an offer

• to **do** your homework

- to make a counter-offer

• to gain a benefit

- to be **contrary** to public policy or to the law in
- to reject an offer to suffer a loss

Preposition bank

- to buy tickets to/for an event 'We want to look after our new client very well. Let's get him some tickets to the opera.'
- to accept something by post/email 'I sent the cheque by post.'
- to put something in writing 'If you have evidence in writing it will help us to persuade the judge.'
- a case/new law from a particular year 'In defence of my client I cited a case from 1995."

to do something by a particular time in the future

general

- 'We need to have this document ready by five o'clock.'
- to enter **into** a contract or agreement 'You should not have entered **into** this loan agreement unless you were sure you could make the repayments.'
- to make a donation to charity 'She made a donation to a charity for homeless people when she won the lottery.'



106

Exercise 1 Today Jack and Shelley are going to a contract law lecture	. Listen to the lecture and answer these questions
Today Jack and Shelley are going to a same	arder to be valid?

Too a	Do contracts involving large amounts of money need to be in writing in order to be valid?	
b		
С	agree the deal?	
(d A few weeks after Getty Oil had agreed to sell to Pennzoil, another company announced bought Getty Oil. What was the name of the other company?	that it had
	How much money was Pennzoil awarded by the court in damages? .	
	f What type of contract does the lecturer say that her students will most often encount as lawyers?	er in their careers
	g What used to be necessary in order to make a deed valid?	
	h What type of contract does the lecturer say must take the form of a deed?	
	i Which does the lecturer say is more common, bilateral or unilateral contracts?	
	j Is a reward contract bilateral or unilateral?	

CONTRACT LAW IN PRACTICE

Exercise 1

Look at this letter taken from a newspaper. The letter is from the newspaper's legal problem page. Complete the gaps in the letter with the correct preposition. Choose the preposition from the box below.

of	• in	• to	• into	through
			· into	unougn
for	• from	over	• at	against

The Chatsworth Herald www.chatsworthberald.co.uk

Legal corner

Ed Samuelson, Chatsworth lawyer, answers YOUR legal problems.

Dear Ed

I bought a new fitted kitchen from a company called Simply Kitchens in Chatsworth (a) _____ June. The total cost of the kitchen was just (b) ____ £10,000. It was fitted on 8 July. The kitchen included a fridge that was built (c) _____ the system. The fridge broke down in early September and I contacted Simply Kitchens to ask (d) ____ a new one. The manager said that I had no right (e) ____ a new one and that I had to wait for an engineer to look (f) ____ the fridge. The manager

told me I would have to wait at least two weeks for an engineer because the fridge was one (g)____ a batch that did not work properly.

The engineer came on 21 September. He told me that two parts of the fridge, the thermostat and the fan, were defective. He replaced them.

It is now 22 November and I have just returned (h) _____ a two-week holiday in Goa. When I got home I found that the fridge had broken down again. All of the food in it was bad and the smell when I came (i) _____ the front door of my house was terrible. The manager of the Chatsworth branch of Simply Kitchens has told me that I must wait for the engineer to visit me again. He also says the company has no complaints department. What can I do? Can I make a claim (j) _____ the company?

Stephen Blakely, Rose Terrace, Chatsworth.

Exercise 2

Here is Ed Samuelson's answer to Stephen's letter. Complete the gaps in the letter with the correct preposition.

• as the sameous	dod of of so end do	• from	• against
• with	• for	• by	• to

Ed says

Dear Stephen

Try writing a letter (a) _____ the Chatsworth branch asking for a new fridge. If that doesn't work, SUE them! The manager (b) ____ Simply Kitchens admitted that he had originally supplied you (c) ____ defective goods, so you have a case (d) ____ the company for breach of contract. You bought the fridge (e) ____ part of a fitted

kitchen and you therefore have what the law calls 'a contract for work and materials' with Simply Kitchens.

This means that your legal rights as a consumer are covered (f) _____ the Sale and Supply of Goods Act 1982. The supplier is also responsible (g) ____ consequential loss arising (h) ____ the defects in the fridge. So, you can claim compensation for the spoiled food as well!

Stephen Blakely has followed Ed's advice and he has written this letter to the manager of Simply Kitchens. The words that have been underlined are too informal. Replace these words by choosing the correct word or phrase from the blue box below. Write your answers in the box on the next page. There is an example at the beginning (*).

the beginning (*).		-Non
(*) Mr Russellbreachissue proceedingsreplacement	inconveniencegroundsare awarecompensation	 notice as soon as possible admitted

47 Rose Terrace High Bennington Chatsworth CH8 5PG

29 November 20XX

Mr David Russell Simply Kitchens Ltd Unit 55, Green Lane Industrial Estate Chatsworth C25 1SD

Dear (*) Mr David Russell

Fitted Kitchen, supplied by Simply Kitchens Ltd, June 20XX

In June of this year I purchased a new kitchen from your company for a total price of £10,345. The fridge that you supplied was defective. As you (a) know very well, I have had numerous difficulties in trying to get this fridge replaced. This letter is (b) warning of my intention to begin legal action if the problem is not rectified immediately.

The kitchen was fitted in June and the fridge broke down for the first time just three months later, on 5 September. When I contacted your office I was advised that I should wait for an engineer to repair the fridge, as I had no right to a (c) new one. During that conversation you (d) said it was true that the fridge was one of a batch that was defective and that I would have to wait two weeks (without having the facility of a fridge) as your engineer was so busy.

Now the fridge has broken down for a second time, which has caused me both expense and (e) personal trouble. I am not prepared to wait for a second visit from an engineer and request that you supply me with a new fridge immediately. I have taken legal advice and I am advised that I have (\mathbf{f}) reasons to make a claim against your company based on (\mathbf{g}) dishonour of contract. I understand that as a consumer I am covered by the Sale and Supply of Goods Act 1982. If it is necessary to (h) start a legal action in Chatsworth County Court I shall claim for the cost of the fridge and I will also include in the amount of the claim (i) money for the consequential loss of spoiled food, which amounts to approximately £150.

I look forward to hearing from you (j) very quickly.

Yours sincerely

Stephen Blakely

(*) Mr Russell b g C d e

Collocation bank

- to announce the acquisition of a company
- to create a legally binding contract
- to be awarded damages
- the **performance** of a contract
- to fail to perform your duties under a contract
- to rectify a problem
- to grant someone a right to do something
- to be **covered** by a particular law
- a batch of goods

Preposition bank

- a contract between two companies 'There was an oral contract between the two oil companies.'
- to be awarded an amount of money in damages
- 'The judge awarded us \$10,000 in damages.'
- in exchange for something 'I gave him my car in exchange for his van.'
- to give notice of something 'In his letter he gave us notice of his intention to sue us.'

- to buy goods from someone 'We buy most of our electrical goods $\ensuremath{\textit{from}}$ King Electrics.'
- to supply someone with a replacement 'When my car broke down last month my insurance company supplied me with a replacement.'
- to sue someone on the grounds of something
- 'We sued them on the grounds of breach of contract.'

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109

Stephen Blakely has received no answer to his letter to the manager of Simply Kitchens. He has decided to follow Ed Samuelson's advice and sue the company.

On the next page you will see the first page of a claim form. This is the form that a claimant needs to fill in to start a claim in court. Stephen Blakely has decided to make the claim without the help of a solicitor.

The information below is for the claim form. There are some words missing from part of the information. Fill the gaps with an appropriate word so that the information for the claim form is completed. The first letter of each word is provided for you.

The value of the claim is £650.	
 The claimant's name and address is: Stephen Blakely 47 Rose Terrace High Bennington Chatsworth CH8 5PG 6QZ070C2 is the claim number. The brief details of the claim are as follows: The defendant (a) c to fit a kitchen in June of this year. The defendant admits that the fridge that was supplied as part of the kitchen was (b) d The fridge has broken down twice and the defendant refuses to supply a new one. The claim is to (c) c the cost of a second company supplying and fitting a new fridge and for the cost of food that was spoiled during the (d) d with the defendant.	
• The court fee is £70.	
 14 December 20XX is the issue date. 	
There is no solicitor's fee.	
 The defendant's name and address is: Simply Kitchens Ltd (registered office) Unit 7 Fratton Park Industrial Estate High Boldon Bradford BR40 1DD 	
● £720 is the total amount.	

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Exercise 2

The information in Exercise 1 needs to be put onto the claim form below. Decide where the information needs to go and then complete the claim form for Stephen.

		t use only
THE THE PARTY OF T	Claim No.	
Click here to clear your da	ita after printing Issue date	
Claimant		
	(SEAL)	
Defendant(s)		
Brief details of claim		
Value		
value		
Defendant's	s aword are same and pormor are tooking	£
name and address	Amount claimed	
	Court fee Solicitor's costs	
	Total amount	
	Total amount	

USING YOUR KNOWLEDGE

Can	location review nplete these sentences with a collocation that you have seen.
а	I would like to one or two amendments to the document that you have sent to me.
h	In England a statute has to pass through three before it becomes law.
С	If a judge makes a decision it may become on other courts of the same level and
d	Your client has to perform her duties under the contract and therefore we will start legal action.
е	Case law is also sometimes known as the law.
f	To make an enforceable contract both parties must consideration.
g	The judge down his decision at four o'clock this afternoon.
h	this morning?
i	
j	We wish to against the decision of the court of first instance.
	Vocabulary review Complete these sentences with a word that you have seen. a My offer to you was made months ago and you can no longer accept due to of time.
	b Aoffer suggests alternative terms and has the effect of cancelling the original offer.
	c An contract is a spoken agreement.
	d Another name for an Act of Parliament is a and the offeree.
	Another name for any services and the offeree. when a contract is being formed, the two parties are known as the and the offeree.
	f The judge in the Court of Appeal the decision of the court of first instance and reversed the result of the case.
	g Consideration must be, meaning that if only one party provides it there is no contract
	h The opposite of benefit is
	 Most contracts involve both parties making a promise and they are therefore described as and not unilateral.
	j A contract that must be in a written form in order to be legally valid is called a, sometimes known as a contract under seal.

Preposition review Complete these sentences with the correct preposition.					
a	Please put your complaints writing and send them to our manager.				
b	In England and the USA much of the law is made judges due to the common law system				
С	You are a legal obligation to sell the house now that you have signed the contract of sale				
d	We all need to stay in the office 8pm to finish this important project.				
е	The new Bill has passed the debate stage and the members of the House of Commons will vote on it next week.				
f	The construction company was sued its promise to finish building the hotel by December as it wasn't finished until the following July.				
g	I am acting my barrister's advice and not taking my claim any further.				
h	The agreement Charles and Michael was made two years ago.				
İ	I didn't email my acceptance to you, as my server was down. I sent it post instead.				
	I have forgotten the name of an important contract case and I will need to look it up in the law library. I remember it is the year 1995.				

TOLES HIGHER EXAM PRACTICE

114

There is a word or phrase missing from the following sentences. For each sentence, circle the word which best fits into the space from the options provided. Do not mark more than one answer for each sentence. There is an example at the beginning (*).

The	ere	is an example at the beginning (7)
		upon similar future cases.
Exa	an	nple In the English legal system a precedent is (*) upon similar future cases. the case you mention from 1976 is very similar to the current case but I think it is possible to
	-1	to accovery mention from 1976 is very similar to the current case but it among the content case but it among the content case but it among the current case but it is a current case but it among the current case but i
1	Ir	1) between them.
	(-	1) between the
_	т	the claimant was (2) damages of £100,000.
2	1	The decision of the first judge was (3) by the judges in the Court of Appeal.
3	т	the decision of the first judge was (3)by the judges in the
3	1	of time. It means that too much time has passed
4	1	An offer can come to an end due to (4) of time. It means that too much time has passed
7	,	since the offer was made.
	•	since the offer was made. When a person who makes an offer withdraws it before it can be accepted we can say that the offer
5		When a person who makes an offer withdraws it belone to
•		has been (5)
		According to English contract law, acceptance must be (6) and cannot be by silence.
6	3	According to English contract law, acceptance mass as a second of the se
		the parties to gain a perient of sunor at ()
	7	Consideration in contract law requires the parties of g When a lawyer refers to the (8) he or she puts upon a contract term it is a more formal way of the parties of g When a lawyer refers to the (8) he or she puts upon a contract term it is a more formal way of the parties of general parties of gener
		he or she puts upon a contract term to a second
	8	When a lawyer refers to the (6) the whole a lawyer refers to the (6) the whole are understanding of that term.
		When a lawyer refers to the (8) file of that term. referring to his or interpretation or understanding of that term.
		Specific (9) is an order from a court that tells a party in breach to carry out his or her
	9	Specific (9)IS all order from a
		obligations under a contract.
		Faciliab contract law consideration must be (10), which means as
	1	obligations under a contract. 10 According to English contract law consideration must be (10), which means that both parties must give or receive something and not just one of them.
		must give or receive something and the

		B unavoidable	c binding	D obligatory
*)	A enforceable	B distinguish	C separate	D discriminate
(1)	A differ		C awarded	D granted
(2)	A ordered	B handed	C refused	D rejected
(3)	A overruled	B annulled		D disappearance
(4)	A conclusion	B ending	C lapse	D invalidated
(5)	A revoked	B cancelled	C negated	
100000000000000000000000000000000000000	A said	B contributed	C given	D communicated
(6)		B detriment	C injury	D disadvantage
(7)	A difficulty	B elucidation	c version	D construction
(8)	A meaning		c performance	D completion
(9)	A action	B execution	C common	D shared
(10)	A reciprocal	B joint	Common	

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Exercise 2

Read the text below and think of the word that best fits each space. Use only one word in each space. Write your answers in the box below. There is an example at the beginning (*).

The elements of a contract A contract is an agreement between two or more people to the contract. However, in order for a contract to be certain conditions must be met. According to English (2) in order for it to be valid. Many high-value the agreement contains the four essential elements or	recognised as legally (1) upon the parties, law there is no requirement that a contract is in e contracts are made orally. What is important is that				
(3) to create a legal relationship					
Offer					
Acceptance					
Consideration					
An offer is an indication from one person that he or she people on (4) which are certain. This means such as price, quality and date must be fixed. If, for experson to whom the offer is made) suggests changes. This is because the effect of any suggested change to longer be open to acceptance because a (6)	that the most important provisions of the agreement kample, an offer is made and the (5) (the to that offer then no contract will have been formed. an original offer is to cancel it. The offer will no				
There are also some important rules governing acceptance. There are, for example, several common law (7), which are decisions taken by judges in previous cases, that tell us that acceptance can be made by conduct but that it cannot be made by silence. There are other rules about acceptance by post or email. These objective rules tell us when acceptance is considered to have been received by the offeror when a particular means of acceptance, for example, email, is used. Acceptance cannot, as we have already stated, contain any suggested changes to the original offer. Acceptance must be absolute.					
According to English law (8) must be exchanged this means that there has to be something of value parties (9) to this is where the parties agree to form element. This requires the parties to sign a special does also known as a contract under seal.	assing in both directions between the parties. The a contract despite the absence of this normally vital				
Example (*) parties					
(1)	(6)				
(2)	(7)				
(3)	(8)				
(4)	(9)				
(5)					

Listen to the seminar given by a professor of law to two students. Decide if the following statements are true or false.

- 1 The professor asked her students to read 285 pages of contract law for homework.
- 2 The law students at this seminar have already studied some of the elements of a contract.
- 3 Mr Brown's event is called 'Save the Planet Day'.
- 4 Mr Brown decides to hold the event in two parks in London and Manchester.
- 5 Mr Brown promises the manager of Sellfast UK an extra £1000 if he can persuade the Ethical Food Company to attend his event.
- 6 In the case of Stilk v Myrick the captain of the ship offered the men on board his ship a bonus if they would sail the ship safely back to England.
- 7 The case of Stilk v Myrick is from 1890.
- 8 The claimant in the case of Stilk v Myrick was one of the sailors.
- 9 The claimant won in the case of Stilk v Myrick.
- 10 The professor thinks that a court would oblige Mr Brown to pay Sellfast UK the extra £1000 based on the case of Williams v Roffey.

True or false?			(4)	(5)
(1)	(2)	(3)		(4.0)
(6)	(7)	(8)	(9)	(10)
(6)		L.		