**Features of a Simple Contract**   
Activities   
  
**1.What is meant by the term ‘Contract’?**

A contract is a legally enforceable agreement between two or more persons or parties. The contract outlines the details of the agreement and the *rights* and *responsibilities (obligations)* of each of the parties.   
  
**2.Identify the three elements of a valid contract?**  
*1.Offer:* An offer is a proposal. It involves one of the parties offering something of value (for example, (money) to the other party in the agreement.   
2.Acceptance: An acceptance occurs when the offeree agrees to the proposal. This involves either a written or oral statement or an act that clearly communicates acceptance of the offer, such as a shake of the hand.   
3.Consideration: Consideration is the final essential feature required to form a valid contract. This stage requires each party to the agreement to give up something of value. Consideration can take the form of a sum of money paid, or the promise to do something.   
  
**3.Explain the significance of each of the legal cases outlined on this page?**  
This English legal case was the first to decide that the customer offers to purchase the goods when she or he takes them to the checkout.  
It established the fact that an offer can be made to the general public. Also, just because there is an offer doesn’t mean there is a contract between the two.

**4.Describe two contracts you have made recently and then answer the following questions about each one?**   
***Was the contract oral or written?***  
Both Oral   
***Who were the parties in the contract?***  
The parties were the canteen and Robbie.   
***What consideration was given by the parties?***  
The canteen made an offer of $1.30 for a packet of chips. i accepted and gave them my money as a consideration  
Robbie offered me his packet of shapes. I agreed and gave him something in return as a trade.  
  
**5.Examine the following hypothetical cases. State whether or not you think a contract exists. Discuss the legal reasoning behind your decision. Share your answers with the rest of the class.***Gemma offers to buy Zara’s laptop computer for $850. It is agreed they will make the exchange when Zara delivers the laptop to Gemma’s house. Once there, Gemma says she is no longer interested.*   
There is a contract which exists because they both “agreed” on the terms.   
  
*Hamaub agreed to sell his car to Colleen for $10 000. The agreement was written and signed by both parties, at which time Colleen paid Hamaub a deposit of $1000. Two days later, Colleen changed her mind and wanted her deposit back.*   
There is a contract which exists however it depends on what is written on the contract. E.g. he could keep her deposit or they must still go through with it.   
  
*An art dealer mistakenly attached a price tag of $100 to a painting that was worth $1000. A customer offered to buy the painting for $100.*   
There is no contract what so ever. The person has offered to buy it for 100 but the retailer does not have to accept.