

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.

Exercise 1

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?

My reasons:

We will return to this question later to check your conclusion. First, we need to look at the vocabulary that you need to be able to talk about the elements of a contract according to English and American law.

Exercise 2

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.

subject	offer	motivation	proposal
object	topic	acceptance	value
consideration	receipt	intention	price