

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

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.

My notes:
