

# ANSWER SHEET

## Contract Exercise

This exercise is referred to on page 124 of the textbook.

For each of the following scenarios, decide which ones are a valid contract:

Scenario	Yes/No
1 A agrees to give B a gift.	
2 A clicks online to buy an item and enters credit card details and receives a receipt number.	
3 A sends a book in the post to B saying if A does not post it back within 7 days A must pay for it.	
4 A takes a pen up to the counter at the newsagent. The newsagent takes the money and hands the pen to A in a bag.	
5 A company sends a purchase order by fax to a shoe manufacturer for 100 pairs of item 1234 in their current catalogue.	

### Answers

- 1 No—there is no consideration.
- 2 Yes—there is offer, acceptance and consideration.
- 3 No—there is no acceptance and silence does not amount to acceptance.
- 4 Yes—there is offer, acceptance and consideration.
- 5 No—there is no acceptance. A catalogue is not an offer of sale.