

# Contracts

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General law = common law and equity

## *Objective test*

applied by courts → reasonable person test

Look at strictly what was said and done

Object test is to ask what would a reasonable person say these things mean

Ordinary and natural meaning of words, conduct

## *Contract*

Agreement between 2 or more parties that a court will enforce

Offeror → person who makes the offer

Offeree → person to whom the offer is made

## *Classification of contracts*

### Promissory intent

Bilateral contracts

- promise for a promise
- Contract formed upon exchange of promises, doesn't depend on performance of any aspect

Unilateral contracts

- act for a promise
- Offer only accepted by performance of an act
- No contract formed until act performed

### Formation

Express

- Created by words used by the parties
- Written or oral contract (or partially both)

Implied

- Created by actions and conduct of parties
- Judged by objective test

#### Simple contract

- Requires no form
- Doesn't have to satisfy any particular form required by law

#### Formal contract

- Requires

#### Enforceability

##### Void contracts

- 'ab initio' never was a contract
- no valid consideration when the act is illegal

##### voidable contract

- valid contract that can be cancelled
- party subjected to duress etc, has the choice to resend the contract and sue for damages if loss suffered
- whole contract validity questioned bc quality of one parties consent

##### unenforceable

- valid contract but cant be enforced bc missing some part

##### performance

- executed → performed, over
- exeutory → obligations outstanding

Elements for vitiatio → ingenuine consent, misrepresentation, deception

Undue influence, unconsoinable conduct, mistake, missrepresentation

#### *Remedies*

Common law → damages (monetary compensation)

##### Equity

- developed through cases over time
- to compell the party to perform promise
- specific performance → positive obligation (to do something)
- injunction → negative obligation (to not do something), discresonary by the court
- rectification → written document be rectified to make it say what it should say

#### sources

common law → deals with damages and compensation

equity → compels defendant to act, specific performance, injunction, rectification

statute can be relevant as a remedy in specific situations of misleading and deceptive conduct

