



VIT<sup>®</sup>

Vellore Institute of Technology  
(Deemed to be University under section 3 of UGC Act, 1956)

# Legal Aspects of Business

Dr. J Bhavani, Faculty,  
Business School  
Vellore Institute of Technology

# Recapitulate

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## Classification of Contract

- ❖ Based on Enforceability
- ❖ Based on Formation
- ❖ Based on Performance

# OFFER

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An offer is a **proposal** by one party to another to enter into a legally binding agreement with him.

The person making the offer is known as the “**Offerer**”, “**Proposer**”, “**Promisor**” and the person to whom it is made is called the “**Offeree**”, “**Proposee**”. If the offeree accepts the offer he is called the “**acceptor**” or “**Promisee**”.

# OFFER

**Essential of a valid offer**

Legal relationship

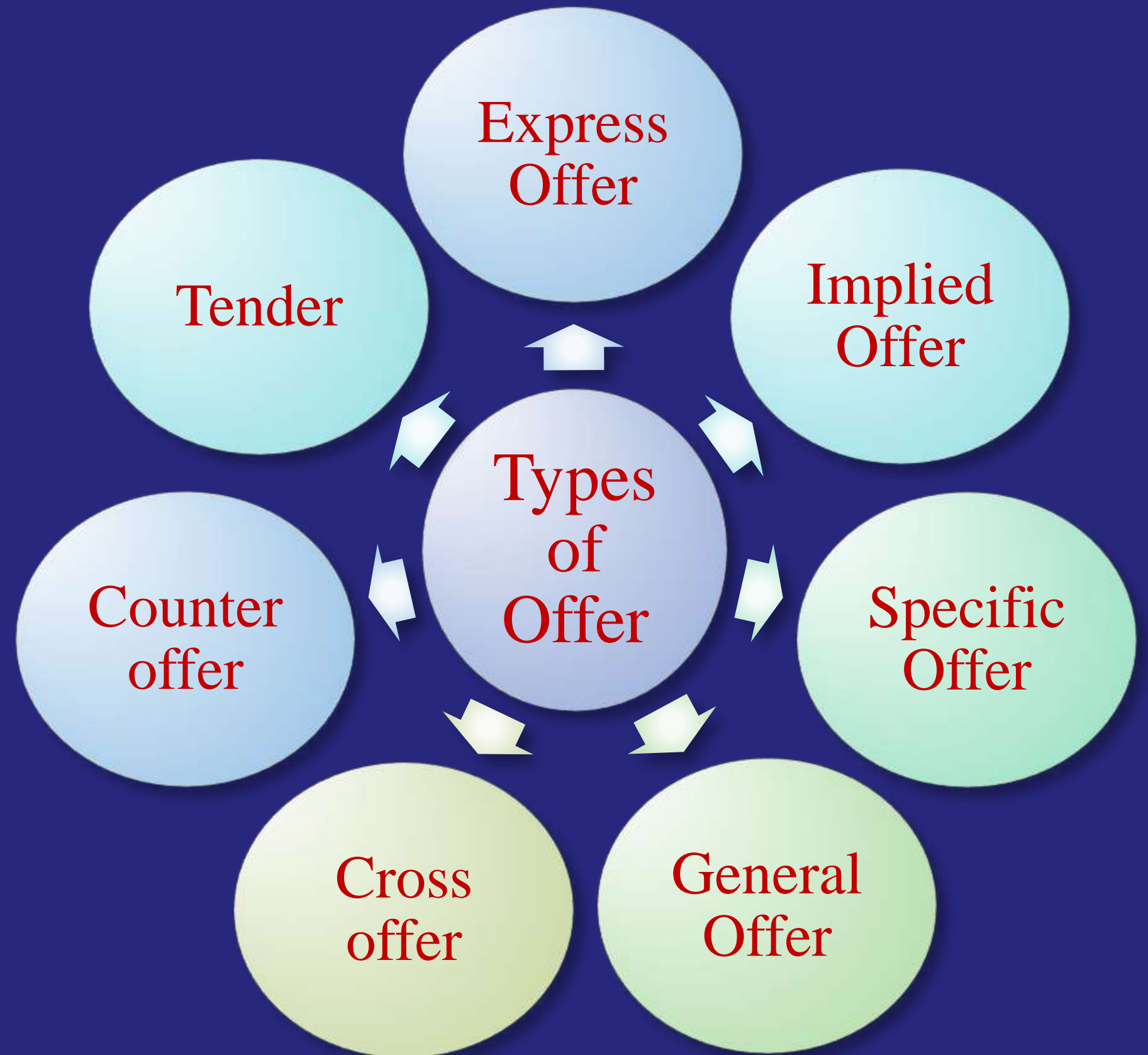
Terms and conditions

Communicated

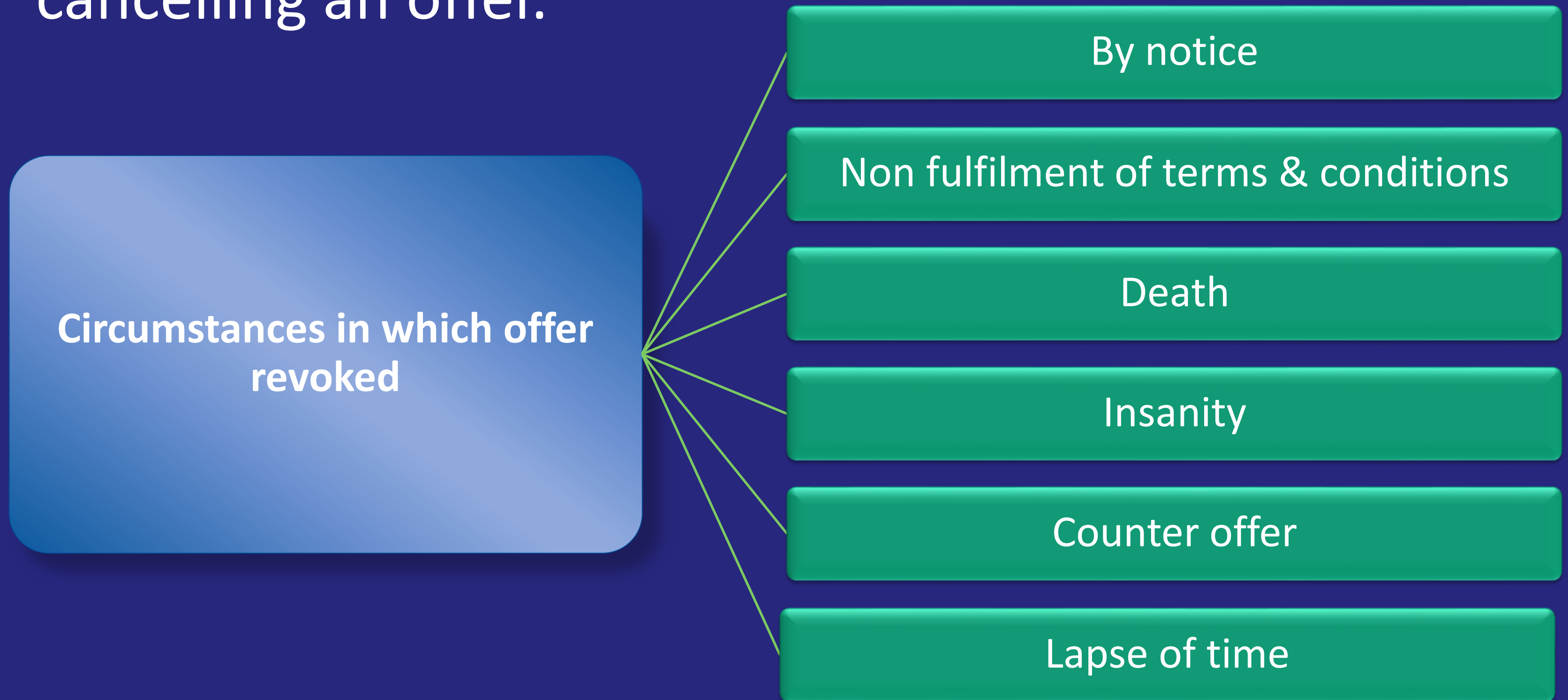
Consent from other

Statement of price is not offer

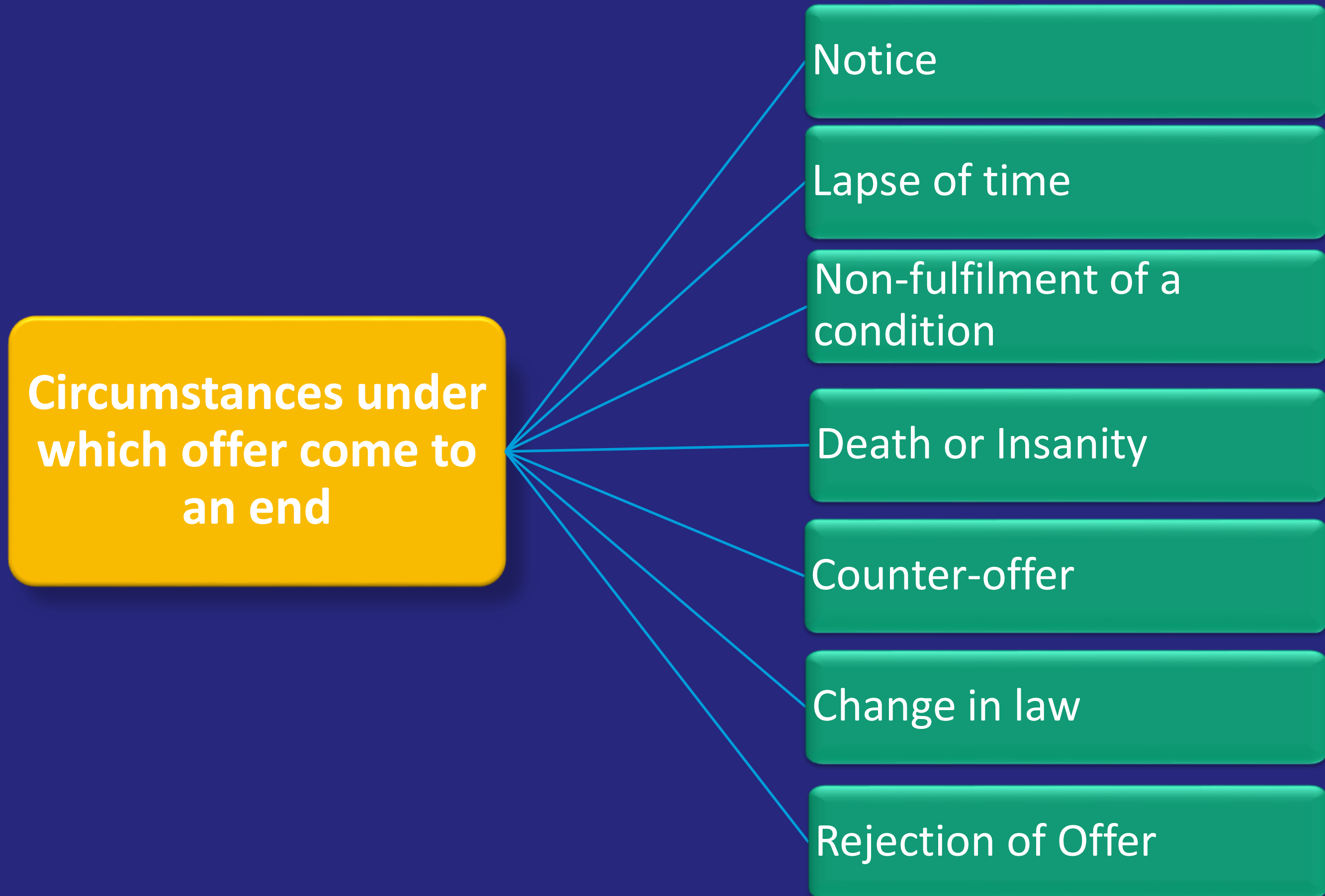
# OFFER



# Revocation of Offer: Taking back or withdrawing or cancelling an offer.

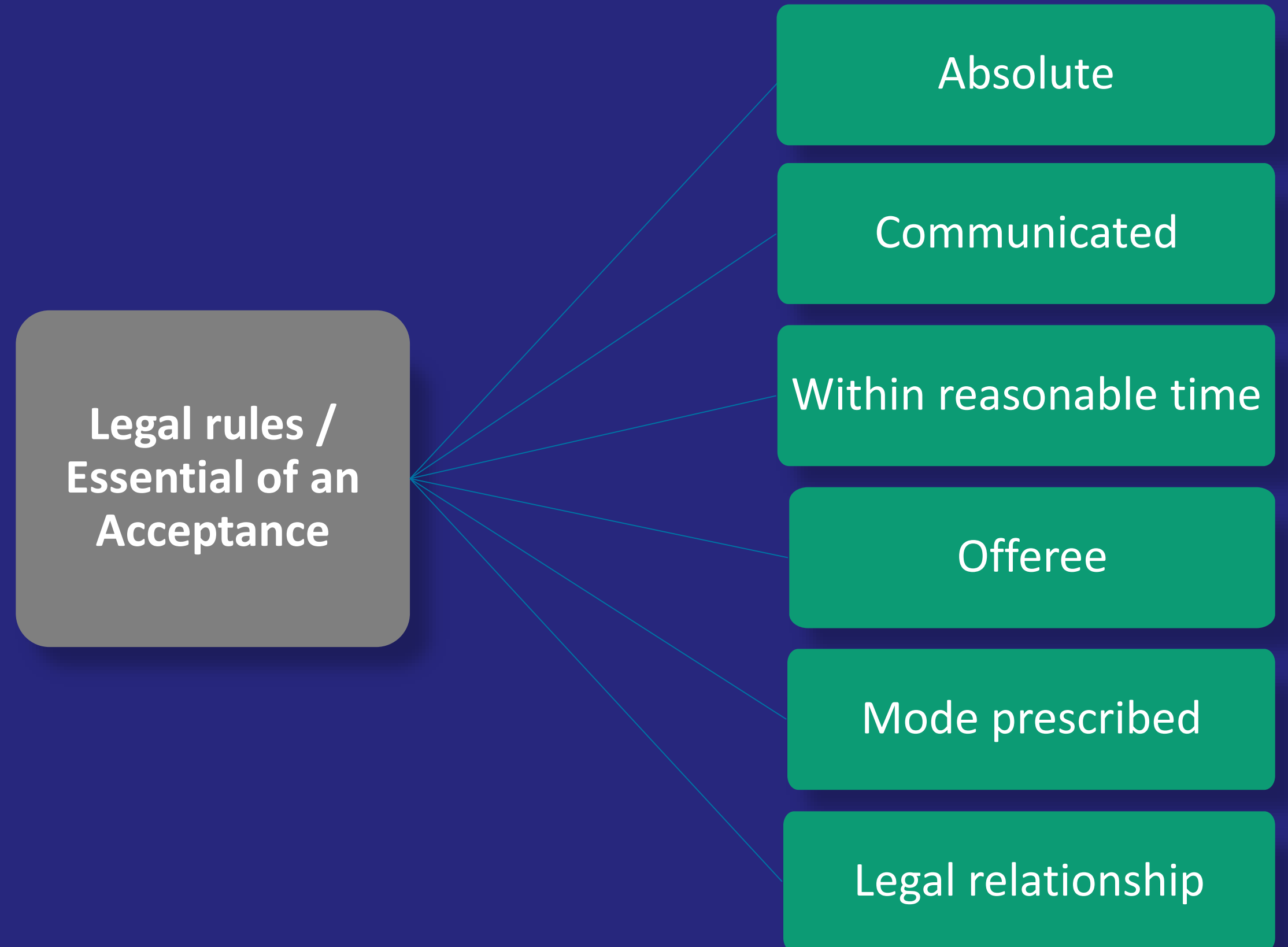


# When does an offer come to an end?



# ACCEPTANCE

An act of **giving consent** by the offeree





# Review Questions

1. A agrees to buy from a jeweller a certain jewellery to be delivered to A after two months. In the meantime, the Government enacts a law on gold control and prohibits dealings in gold. When the time for delivery of the jewellery comes, the jeweller refuses to deliver the same. What can A do?

2. Communication of offer is complete when the letter of offer is posted.

**True or False**

3. Acceptance must be according to the mode prescribed by the offeror.

**True or False**

# Answer

1. A agrees to buy from a jeweller a certain jewellery to be delivered to A after two months. In the meantime, the Government enacts a law on gold control and prohibits dealings in gold. When the time for delivery of the jewellery comes, the jeweller refuses to deliver the same. What can A do?

**Answer:** A has no cause of action.

2. Communication of offer is complete when the letter of offer is posted.

**Answer:** False

3. Acceptance must be according to the mode prescribed by the offeror.

**Answer:** True