



SNS COLLEGE OF ENGINEERING

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DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : 19BA104- LEGAL ASPECTS OF BUSINESS

I YEAR / I SEMESTER

Unit 1 – THE INDIAN CONTRACT ACT 1872

Topics : Acceptance, Essentials, Revocation of Offer



Acceptance

Definition – Section 2(b)

“When the person to whom an offer is made signifies his assent thereto the proposal is said to be accepted, A proposal when accepted becomes a promise.”



Example A offers to buy B's car for rupees two lacs and B accepts such an offer. Now, this has become a promise.



Essentials of valid Acceptance

1. Acceptance must be given by the party to whom the offer was made

The Acceptance can be given only by the party to whom the offer is made . No other person can give that acceptance to offer to whom it is not made.

Example : One Charitable trust announces publicly that only handicapped students will be provided with educational laptops less than 80% of the market value. Therefore, only handicapped students may accept the offer and buy the laptop.



2. The Acceptance must be communicated with the offeree

According to section 3, the communication of acceptance of the proposal must be communicated with the offeror.

Example : A makes an offer to buy B's car for Rs.5,00,000/-. B in his mind thinks and accepts the offer but does not communicate with the offeree.

3. The Acceptance must be absolute and unconditional :

According to sec 7 (a) to constitute an offer into a valid promise , the acceptance must be absolute and unconditional. This means the acceptance is given to the offer must be without imposing any condition which leads to a counter - offer to the original offer.

Example : A makes an offer to sell his old house for Rs. 50 Lacs . B Accepts the offer but with condition that he will pay 50% of the amount now and the other 50% next year. this amounts to the conditional acceptance and also counter offer.



4. Acceptance must be in the prescribed mode and prescribed time

According to sec 7 (b), the acceptance must be given in the prescribed mode and with the offeree's prescribed period.

Example : A buys a rolex watch at a watch shop with the condition that the watch should be in the gift wrapped box and shall be delivered in the next evening . But the shop boy delivers the watch without gift wrapping.it amounts to a failure of the prescribed manner of acceptance.



Types of Acceptance

1. Express acceptance

An express acceptance is a clear intention of a person to accept the offer. The express acceptance may be written or oral by the offeree. In express acceptance, the offeree can express his acceptance by his words or by writing a letter, email or anything to the offeror by saying that he is accepting his offer on the same conditions given by him in the offer.

For example, Ankit makes an offer to Ajay to buy his house for 10 lakh rupees. Ajay sends a letter by post to Ankit that he is accepting his offer. This is an example of expressed acceptance because Ajay gave his acceptance by sending the letter in writing. Also, if Ajay made the call to Ankit that he is accepting his offer and ready to sell his house at the same price, it is also an example of expressed acceptance because in which he is giving his acceptance orally.



2. Implied acceptance

The acceptance may be implied also. When the offeree conveyed his acceptance through his conduct, behaviour or any other manner is called implied acceptance. In implied acceptance, the offeree doesn't give his acceptance orally or in writing but he acts in a way that shows his acceptance towards the offer made by the offeror.

For example: in an auction of selling goods, a person made the offer that he is ready to buy those goods in the amount of 7lakh rupees. The auctioneer struck the hammer thrice in order to accept his offer. The striking of a hammer thrice is the act done by the auctioneer in order to give his acceptance. Also, Buying a product from a supermarket is also an example of implied acceptance.



3. Conditional acceptance

When the offeree is willing to accept the offer given by the offeror on some changes in the terms and conditions of the agreement or he is willing to accept the offer on the occurring of some events. A conditional acceptance is very useful for the party if the party is not sure how the situation will turn out after some time.

conditional acceptance in two ways:

- ✓ Changes in the terms and conditions
- ✓ the occurring of some event

types on the base of:

- ✓ Related to Place
- ✓ Related to Amount
- ✓ Related to Time
- ✓ By some only
- ✓ Instalment pay



□ COMMUNICATION OF OFFER & ACCEPTANCE AND REVOCATION – Section 4 & 5

- ✓ Communication of offer is complete when it comes to the knowledge of offeree

Communication of acceptance is complete

As against offeror

As against offeree

When offeree puts the acceptance in a course of transmission and it is beyond his reach to stop it

When the acceptance comes to the knowledge of offeror



RECAP

QUESTIONS???

THANK YOU