1. On Monday, Big Business Ltd. (BB) offers to sell 300 wrist watches to Going Places Ltd. (GP) at £50 per watch. The offer to GP is sent by fax and includes the following statement: “Please send an acceptance by 12pm today. Delivery will occur on Wednesday”.

GP emails an acceptance at 10am. The email is accidentally deleted by an administrative assistant at BB before it is passed on to BB’s management. Meanwhile, GP enters into a contract with Next-in-Line Ltd to produce new wristbands that can be sold with the watches.

Advise GP whether there is a binding contract with BB. Would your advice differ in the following circumstances, and if so, why?

(a) GP telephoned an acceptance to BB on Monday afternoon.

(b) GP faxed an acceptance to BB before Monday 12pm. But the fax machine at BB failed to print out the fax due to lack of a new printing cartridge.

(c) The offer from BB had stipulated the following statement: “Please send your acceptance by first class registered post sent before 12pm.” GP sent a letter of acceptance before 12pm but by unregistered post which was never received by BB.

2. Peter (P) put the following advertisement in the local newspaper that was distributed on Monday: “Motorcycle for sale. Excellent condition. Price: £3000. Tel. 1902 655 655. Fax. 1902 652 652”. On Tuesday morning, Robert (R) telephoned the number provided in the advertisement. P was away at the time and the call was answered by P’s girlfriend, Jill (J), with whom P had just had an argument. R explained to J that he was calling in response to the advertisement and added: “I want to buy the motorcycle. I’ll send a fax to confirm”. J replied: “Fine. I’ll tell P when he comes back home”. R sent immediately thereafter a fax stating: “I am interested in buying your motorcycle at the advertised price. I assume it is registered”. P’s fax machine was not loaded with paper at the time, so R’s message was not printed out. When P arrived home early Tuesday evening, J said to him: “Your stupid motorbike isn’t particularly popular. Only one person has rung about buying it”. P asked her if the person had provided their contact details, and she replied “no”. P, feeling irritated, then went upstairs to his study where he discovered that the fax machine was out of paper. He loaded it with paper, and received the print-out of the fax from P. He noticed that there was an email address in the letterhead used by R, so he immediately emailed R stating: “I agree to your offer to buy my motorcycle”. R received only part of this message due to a defect in the modem in his computer. The next day, R saw another motorcycle advertised for sale which appeared to be a better buy.

Advise R whether he has already entered into a valid contract to buy P’s motorcycle.