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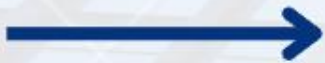
**WEEK 5**

**THE ELEMENTS OF CONTRACT LAW**

**LECTURER**

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**ENGLISH FOR LAW**



# Review

- Lawyer is general job title for legal profession who practices law. Lawyer can be solicitor, barrister, and attorney.
- Solicitors and barristers practice only in England.
- There is no division of lawyers in the USA and most other countries. It is simply known as an attorney.
- In some other countries, the terms may have a different meaning.

# Cont....

<b>draft</b> menyusun konsep	<b>infringement</b> pelanggaran paten	<b>responsibility</b> tanggung jawab	<b>advocacy</b> pembelaan
<b>motions</b> permohonan	<b>division</b> pembagian	<b>choose</b> memilih	<b>dispute</b> sengketa
<b>fraud</b> penipuan	<b>writer</b> penulis	<b>law of contract</b> kontrak hukum	<b>company</b> perusahaan
<b>defend</b> membela	<b>rights</b> hak	<b>well-known</b> terkenal	<b>advice</b> nasihat
<b>jail</b> penjara	<b>copyright</b> hak cipta	<b>on behalf</b> mewakili	<b>complex</b> kompleks

## Focus on form

### **Responsibility + is + infinitive –to**

- My responsibility is to make sure everything works well

### **Responsibility + is + verb – ing**

- My responsibility is making sure everything works well

# The elements of contract law

According to Catherine and Atkins (2016), the elements of contract law are from the common law. The elements of contract law might be different to each country. These elements are:

1. Offer (Penawaran)
2. Acceptance (Penerimaan)
3. Consideration (Sesuatu yang bernilai)
4. Intention (Niat atau maksud)

What are they?

# 1. Offer (Penawaran)

It is a clear and specific proposal in a contract that consists of certain conditions and terms made by one of the parties to other who receive the offer.

For example:

“ I offer to sell you my motorcycle for Rp. 10.000.000,00”

## 2. Acceptance (Penerimaan)

It is unconditional agreement to what is offered or proposed by other party in contract. It means that other party must agree and accept the offer.

For example:

”I accept your offer to buy this motorcycle for Rp. 10.000.000,00”.

### 3. Consideration (Sesuatu yang bernilai)

It refers to both parties must exchange something of value in a contract. Each of the parties must give something to others, for example, money, goods, or services.

For example:

“ I will pay you Rp. 10.000.000,00 in return of your motorcycle”

## 4. Intention (Niat atau maksud)

It refers to both parties show willingness and agreement to make things legally binding by law in a contract.

For example:

“Both parties sign a contract to make the agreement legal”.

## Offeror and offeree

In legal contract, people who make and receive the offer as follow:

- *Offeror* is the person who makes an offer to other parties.
- Offeree is the person who receives the offer from other parties.

*Offeror* adalah pihak yang melakukan penawaran.

*Offeree* adalah pihak yang menerima penawaran.

## For Example

- Umbu wants to sell his old car and advertises it for sale for Rp. 50.000.000,00. Rambu calls and wants to buy the car for Rp. 40.000.000,00. Umbu refuses for that price. Rambu then suggests for Rp. 45.000.000,00. Umbu agrees to sell the car for Rp. 45.000.000,00. to Rambu.

The offeror is Umbu

The offeree is Rambu

- Osfred buys a new motorcycle. He decides to sell his old one to Firat. But, Firat does not want to buy it. Firat rejects the offer.

The offeror is Osfred

The offeree is Firat

# Key Vocabulary

comply with	under duress	deed	discharged
void	drugs	end	breach
enforceable	rule	agreement	obligation
capacity to contract	drunk	written contract	sue
consent	voluntarily	oral contract	defendant

# Key Vocabulary

**comply with**

**mematuhi aturan**

**under duress**

**dibawah paksaan**

**deed**

**dokumen hukum**

**discharged**

**kontrak dipenuhi**

**void**

**batal**

**drugs**

**obat-obatan**

**end**

**akhir**

**breach**

**pelanggaran**

**enforceable**

**dipaksakan**

**rule**

**aturan**

**agreement**

**persetujuan**

**obligation**

**kewajiban**

**capacity to  
contract**

**kapasitas membuat  
kontrak**

**drunk**

**mabuk**

**written contract**

**kontrak tertulis**

**sue**

**menuntut**

**consent**

**sukarela**

**voluntarily**

**tanpa paksaan**

**oral contract**

**kontrak lisan**

**defendant**

**terdakwa**

## Contract of law

The contents of a contract, usually called the terms and conditions, must comply with the law, meaning they follow the law correctly. If the contract do not comply with the law, a judge will probably decide the contract is void or empty. If the contract is not enforceable, then a court will not recognize the contract valid.

Both parties must have capacity to contract. It means that when a person signs a contract, they must be old enough to consent (say yes) to it, not mentally ill, not drunk or using drugs. Also, both parties must enter the contract voluntarily, meaning that they must sign it freely and not under duress or pressure. It may be in written contract, oral contract or in the form of deed.

## Cont....

A deed is sometimes called a contract under seal. It is a special contract that is legal even though one of the parties has not provided consideration. A promise of a gift or donation for example, can be contract if the agreement takes the form of a deed

When a contract comes to an end, we can say that the contract is discharged. If the contract is discharged because one of the parties does not fulfil their obligations, it is called breach. If one party breaches the contract, the injured party can sue the party in breach. The injured party is the claimant and the party in breach is the defendant.

(Catherine, 2016, pp. 85-86)

## Question

1. What does it mean that a contract must comply with the law?
2. Who can decide that a contract void?
3. What are the 3 conditions for parties to have capacity to contract?
4. Can someone sign the contract under duress? Why?
5. What is deed?
6. How can contract come to an end?

## Answer

1. Terms and conditions of a contract must follow the law correctly. If the contract do not follow the law, then the contract is invalid

“The contents of a contract, usually called **the terms and conditions, must comply with the law**, meaning they **follow the law correctly** .... a court will not recognize the contract valid”

## Cont....

2. A judge.

“If the contract do not comply with the law, **a judge** will probably decide the contract is void or empty”.

3. A person must be old enough to consent (say yes) to it, not mentally ill, not drunk or using drugs.

“Both parties must have capacity to contract. It means that when a person signs a contract, **they must be old enough to consent** (say yes) to it, **not mentally ill, not drunk or using drugs**”.

4. No, they cannot. Because to have a valid contract, someone must sign the contract voluntarily without duress or pressure.

“Also, both parties must **enter the contract voluntarily**, meaning that they must **sign it freely** and **not under duress or pressure**”.

## Cont....

5. A deed is a special type of a contract or known as a contract under seal and uniquely this contract is still legal even though without consideration from one or both parties.

“A deed is sometimes called a contract under seal. It is **a special contract that is legal even though one of the parties has not provided consideration**”.

6. A contract comes to an end when it officially ends or if one of the parties fails to fulfill their obligations. It is usually called the contract is discharged.

“When a contract comes to an end, we can say that **the contract is discharged**. If the contract is discharged because **one of the parties does not fulfil their obligations**.”

## Exercise

### Choose a word or phrase from the key vocabulary

1. Lukas is 15 years old so he does not have \_\_\_\_\_ to contract.
2. You need to read the contract carefully and make sure the terms and conditions \_\_\_\_\_ with the law.
3. My lawyer said that the contract is \_\_\_\_\_ because it does not follow the law correctly.
4. Erwin and Osfred sign the contract \_\_\_\_\_ and they don't sign it under duress.
5. The contract is \_\_\_\_\_ because Dian fails fulfil her obligations.
6. I am going to \_\_\_\_\_ Abraham for breaching the contract.

# Answer

1. Lukas is 15 years old so he does not have **capacity** to contract.
2. You need to read the contract carefully and make sure the terms and conditions **comply** with the law.
3. My lawyer said that the contract is **void** because it does not follow the law correctly.
4. Erwin and Osfred sign the contract **voluntarily** and they don't sign it under duress.
5. The contract is **discharged** because Dian fails fulfil her obligations.
6. I am going to **sue** Abraham for breaching the contract.

## Exercise

**Complete the text with with the correct elements of contract**

**acceptance**

**offer**

**consideration**

**intention**

1. One of the parties makes a proposal to the other party. The proposal is on the certain terms and conditions that comply with the law. This proposal is called: \_\_\_\_\_
2. To make the contract valid, both parties must exchange something to other e.g. money, work or goods. Each of the parties gives something in return. The element of the contract is called: \_\_\_\_\_

3. The courts usually look at the relationship between the two parties. The courts decide whether both parties want to make things legally by law in this situation or not. This element of contract is called: \_\_\_\_\_
4. It is absolutely necessary that a person accepting an offer does not change the terms of the original offer. For example, Markus bought Sara's laptop Rp. 5.000.000,00 not for Rp. 6.000.000,00 as Markus asked. There is no binding contract. This element of contract is called: \_\_\_\_\_

# Answer

1. One of the parties makes a proposal to the other party. The proposal is on the certain terms and conditions that comply with the law.

This proposal is called: **offer**

2. To make the contract valid, both parties must exchange something to other e.g. money, work or goods. Each of the parties gives something in return.

The element of the contract is called: **consideration**

3. The courts usually look at the relationship between the two parties. The courts decide whether both parties want to make things legally by law in this situation or not.

This element of contract is called: **intention**

4. It is absolutely necessary that a person accepting an offer does not change the terms of the original offer. For example, Markus bought Sara's laptop Rp. 5.000.000,00 not for Rp. 6.000.000,00 as Markus asked. There is no binding contract.

This element of contract is called: **acceptance**

## Translate these into Indonesian words/phrases

1. Judges
2. Lawyer
3. Void
4. Injured party
5. Goods
6. Party in breach
7. Obligations
8. A binding contract
9. Fulfil
10. Agreement

# Answer

1. Judge : **Hakim**
2. Judges : **Hakim-hakim**
3. Void : **Kosong**
4. Injured party : **Pihak korban**
5. Goods : **Barang atau produk**
6. Party in breach : **Pihak yang melanggar**
7. Obligations : **Kewajiban atau tanggung-jawab**
8. A binding contract : **Sebuah kontrak yang mengikat**
9. Fulfil : **Memenuhi (kewajiban)**
10. Agreement : **Persetujuan**

# Review

The elements of contract are:

1. Offer (Penawaran)
2. Acceptance (Penerimaan)
3. Consideration (Sesuatu yang bernilai)
4. Intention (Niat atau maksud)

## Cont...

1. Offer is a clear and specific proposal in a contract that consists of certain conditions and terms made by one of the parties to other who receive the offer.
2. Acceptance is unconditional agreement to what is offered or proposed by other party in contract. It means that other party must agree and accept the offer.

## Cont...

3. Consideration refers to both parties must exchange something of value in a contract. Each of the parties must give something to others, for example, money, goods, or services.
4. Intention refers to both parties show willingness and agreement to make things legally binding by law in a contract.

# Reference

1. Catherine, Mason. (2016). *The Lawyer's English Language Teaching Coursebook* (2<sup>nd</sup> ed.). Global Legal English LTD.

**Terima kasih**