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FREE RESOURCE

IRAC in Practice

A Fully Worked Contract Law Exam Answer, Annotated

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NOTE TO STUDENTS

These notes are a study aid produced by The Legal Vault. They supplement but do **not** replace your lecture notes, prescribed texts, relevant statutes and legislation, and reading the cases in full. Always verify citations and section numbers against the primary sources before relying on them in assessment.

2025 Edition ♦ University of Botswana LLB

How to Use This Resource

This resource gives you a complete, worked IRAC answer to a Contract Law problem question at University of Botswana LLB level. The answer is annotated -- every section is explained so you understand not just what was written, but why it was written that way.

Read this resource in the following order:

- Step 1 -- Read the problem question carefully.
- Step 2 -- Try to write your own answer before reading the model answer.
- Step 3 -- Compare your answer to the model answer and read the annotations.
- Step 4 -- Identify what you did well and what you missed.
- Step 5 -- Write the answer again from scratch without looking at the model.

WHY THIS MATTERS	*Writing IRAC answers is a skill. You do not develop it by reading about it -- you develop it by practising it. Use this resource as a template and then practise with different problem questions until the structure is automatic.*

The Problem Question

PROBLEM QUESTION

Tiro is a car dealer in Gaborone. On 1 March, he places an advertisement in the Botswana Daily News stating: "Brand new Toyota Hilux, 2024 model, P320,000. First come, first served. Call 71234567." On 2 March, Kagiso reads the advertisement and calls Tiro. Kagiso says: "I am interested in the Hilux. I will pay P300,000 for it." Tiro replies: "The price is firm at P320,000. I cannot go lower." Kagiso says he will think about it and call back. On 3 March, Kagiso calls Tiro and says: "I accept -- I will take the Hilux at P320,000." Tiro replies: "I am sorry, I sold the vehicle to another buyer this morning." Kagiso is furious and claims that Tiro has breached a binding contract. Tiro insists that no contract was ever concluded. Advise Kagiso. Discuss fully with reference to decided cases.

Step 1 -- Identifying the Issues

Before writing a single word of your answer, identify every legal issue raised by the facts. A problem question in contract law will typically raise issues across several topics. Missing an issue costs marks even if everything else is correct.

The issues in this problem are:

- **Issue 1** -- Was the newspaper advertisement a valid offer, or merely an invitation to treat?
- **Issue 2** -- Did Kagiso's response on 2 March ("I will pay P300,000") constitute a valid acceptance, or a counter-offer?
- **Issue 3** -- Was Tiro's reply on 2 March ("P320,000 -- I cannot go lower") a rejection of Kagiso's counter-offer and a renewal of the original offer?
- **Issue 4** -- Was a binding contract concluded when Kagiso called on 3 March and said "I accept"?
- **Issue 5** -- If a contract was concluded, has it been breached, and what remedies are available to Kagiso?

ANNOTATION	*Notice how each issue is framed as a precise legal question. Do not write "Issue 1: Was there a contract?" -- that is too broad. Write the specific legal question that needs to be answered to resolve the dispute. This precision is what separates good legal analysis from vague discussion.*

The Model Answer -- Fully Annotated

Introduction

The central question is whether a binding contract of sale was concluded between Tiro and Kagiso. To answer this, it is necessary to analyse the sequence of communications between the parties in light of the principles governing offer and acceptance under the Roman-Dutch law of contract as applied in Botswana.

Annotation

A good introduction states the central question clearly and identifies the legal framework. It should be brief -- one paragraph. Do not spend time in the introduction summarising the facts. The examiner knows the facts. Get to the law quickly.

Issue 1 -- The Advertisement as Offer or Invitation to Treat

ISSUE	Whether Tiro's newspaper advertisement constituted a valid offer capable of acceptance, or merely an invitation to treat (invitatio ad offerendum).

■ *The issue is framed as a precise legal question using the correct legal terminology. "Invitation to treat" and "invitatio ad offerendum" are used -- this signals to the examiner that you know the applicable legal concept.*

RULE	The general rule is that an advertisement or display of goods for sale does not constitute a valid offer -- it is an invitation to treat. This principle was established in Pharmaceutical Society of Great Britain v Boots Cash Chemists (Southern) Ltd [1953] 1 All ER 482, where the court held that a display of goods is an invitation to customers to make offers, which the seller may accept or decline. An offer requires the animus contrahendi -- a genuine, serious intention to be legally bound upon acceptance: I Pieters & Co v Salomon 1911 AD 121.

■ *The Rule section must state the applicable legal principle AND cite the authority. Both are required. Stating the rule without a case citation is incomplete. Citing a case without stating the principle it establishes is equally incomplete.*

APPLICATION	Tiro's advertisement in the Botswana Daily News stated a price and invited interested parties to call. It was addressed to the public at large, not to any specific person. It was not addressed to Kagiso personally and did not purport to bind Tiro to sell to the first person who called. Applying the principle in Boots Cash Chemists, the advertisement is an invitation to treat -- it invited members of the public to make offers to Tiro, which he could then accept or reject. The advertisement lacked the animus contrahendi required for a valid offer.

■ *The Application is the most important section. Notice how every relevant fact is engaged with. The analysis connects the specific facts (advertisement in a newspaper, addressed to the public, not to a specific person) to the legal principle (invitation to treat requires no specific addressee, no animus contrahendi). Do not just state the rule -- apply it to these facts.*

CONCLUSION	Tiro's advertisement was not a valid offer. It was an invitation to treat. No contract could have been concluded by Kagiso simply responding to the advertisement.

■ *The conclusion is direct and answers the specific issue. One to two sentences is enough.*

Issue 2 -- Kagiso's Response on 2 March as Counter-Offer

ISSUE	Whether Kagiso's statement on 2 March -- "I will pay P300,000 for it" -- constituted a valid offer, and what was its legal effect.
RULE	Since the advertisement was an invitation to treat, Kagiso's call on 2 March was the making of an offer. An offer must be unequivocal and must show the animus contrahendi: Conradie v Rossouw 1919 AD 279. Where an offeree purports to accept an offer but proposes different terms, the response is not an acceptance but a counter-offer, which destroys the original offer and puts a new offer in its place: Watermeyer v Murray 1911 AD 61.
APPLICATION	Kagiso called Tiro and offered to pay P300,000 -- a price lower than the P320,000 stated in the advertisement. This was not an acceptance of any offer (since the advertisement was an invitation to treat, not an offer). It was itself a new offer by Kagiso to purchase the vehicle at P300,000. Tiro rejected this offer by insisting the price was P320,000.
CONCLUSION	Kagiso's statement on 2 March was an offer to purchase at P300,000, which Tiro rejected. No contract was concluded at this stage.

Issue 3 -- Tiro's Reply as a Standing Offer

ISSUE	Whether Tiro's response -- "The price is firm at P320,000" -- constituted a standing offer to sell at that price.

RULE	A communication that states a definite price and expresses a willingness to sell on those terms may constitute a valid offer where it has the necessary definiteness and animus contrahendi: I Pieters & Co v Salomon 1911 AD 121. An offer may be directed at a specific person. Once made, an offer may be revoked at any time before acceptance, provided the revocation is communicated to the offeree: Bhamjee v Maposa (No 2) 1988 BLR 268 (HC).
APPLICATION	When Tiro told Kagiso "The price is firm at P320,000 -- I cannot go lower," he was communicating the terms on which he was willing to sell. This statement was definite (specific price, specific vehicle), directed at a specific person (Kagiso), and showed an intention to be bound if Kagiso agreed. It constituted a valid offer to sell the Hilux to Kagiso at P320,000. Kagiso's response -- that he would think about it -- was neither an acceptance nor a rejection. The offer therefore remained open.
CONCLUSION	Tiro's statement on 2 March constituted a valid offer to sell the Hilux at P320,000, directed at Kagiso personally. The offer remained open after Kagiso said he would think about it.

Issue 4 -- Was a Binding Contract Concluded on 3 March?

ISSUE	Whether Kagiso's call on 3 March -- "I accept -- I will take the Hilux at P320,000" -- constituted a valid acceptance of Tiro's offer, concluding a binding contract.
RULE	A valid acceptance must be: (1) unequivocal and unconditional -- it must correspond exactly to the offer (the mirror image rule): Watermeyer v Murray 1911 AD 61; (2) communicated to the offeror -- acceptance by telephone is effective when the offeror hears (receives) the acceptance: Tel Peda Investigation Bureau (Pty) Ltd v Van Zyl 1965 (4) SA 475; S v Henckert 1981 (3) SA 445; and (3) made while the offer is still open -- if the offer has been revoked before acceptance, there is nothing to accept: Bhamjee v Maposa (No 2) 1988 BLR 268 (HC). A binding contract is concluded when a valid offer is met by a valid acceptance: SA Railways & Harbours v National Bank of South Africa 1924 AD 704.
APPLICATION	On 3 March, Kagiso called Tiro and said "I accept -- I will take the Hilux at P320,000." This was an unequivocal, unconditional acceptance of Tiro's offer of P320,000. It corresponded exactly to the offer -- Kagiso accepted the price without modification. The acceptance was communicated directly to Tiro by telephone and was received by him when he heard it (Tel Peda; S v Henckert). The critical question is whether Tiro's offer was still open at the time of Kagiso's acceptance. Tiro claims to have sold the vehicle to another buyer "that morning" -- but there is no evidence that he communicated this revocation to Kagiso before Kagiso called to accept. Under Bhamjee v Maposa, a revocation is only effective when communicated to the offeree. If Tiro had not communicated a revocation to Kagiso before Kagiso called, the offer was still open when Kagiso accepted. On the facts, a binding contract of sale was therefore concluded when Kagiso called Tiro on 3 March and said he accepted.

■ *This is the most important Application in the answer. Notice how multiple cases are woven together -- the mirror image rule (Watermeyer), the telephonic receipt rule (Tel Peda, Henckert), the revocation rule (Bhamjee). A strong answer integrates several authorities to analyse a single factual issue.*

CONCLUSION	A binding contract of sale was concluded between Tiro and Kagiso when Kagiso communicated his acceptance on 3 March, provided Tiro had not validly revoked his offer before that acceptance was received. On the facts, no revocation was communicated to Kagiso before his acceptance.

Issue 5 -- Breach and Remedies

ISSUE	Whether Tiro's failure to deliver the Hilux to Kagiso constitutes a breach of the contract of sale, and what remedies are available to Kagiso.
RULE	Where a valid contract has been concluded and one party fails to perform their obligation, they are in breach. A party who sells an asset to a second buyer after concluding a sale with a first buyer commits a breach of the first contract. The innocent party's remedies for breach include specific performance (compelling the breaching party to perform) and/or cancellation plus damages: Haynes v King Williams Town Municipality 1951 (2) SA 371; Microutsicos v Swart 1949 (3) SA 715. Damages are assessed on the positive interest -- placing the innocent party in the position they would have been in had the contract been performed: Botswana Power Corporation v Nare [2012] 1 BLR 836.
APPLICATION	Having concluded a valid contract of sale with Kagiso, Tiro was obliged to deliver the Hilux to Kagiso at the agreed price of P320,000. By selling the vehicle to another buyer, Tiro made it impossible for himself to perform his obligation to Kagiso -- this constitutes a breach of contract (prevention of performance) and, in the alternative, repudiation. Kagiso may seek specific performance (though this is unlikely to succeed since the vehicle has been sold to a third party) or may cancel the contract and claim damages representing the difference between the contract price and the market value of an equivalent vehicle, together with any additional losses caused by the breach.
CONCLUSION	Tiro has breached the contract of sale. Kagiso is entitled to cancel the contract and claim damages, or in appropriate circumstances to seek specific performance.

Overall Conclusion

A binding contract of sale was concluded between Tiro and Kagiso when Kagiso accepted Tiro's offer of P320,000 on 3 March. Tiro's advertisement was an invitation to treat and not a valid offer. Kagiso's initial response on 2 March was a counter-offer (at P300,000), which Tiro rejected. Tiro then made a valid offer at P320,000, which Kagiso accepted on 3 March before any revocation was communicated to him. Tiro is therefore in breach of contract and Kagiso is entitled to the remedies described above.

What Made This a Strong Answer

- **Every issue was identified**
  The answer identified 5 separate issues. Missing any one of them would have cost marks. Comprehensive issue identification is the foundation of a good problem question answer.

- **Every rule was cited**
  Every legal principle was supported by a case citation. No proposition of law was stated without authority. This is non-negotiable in legal writing.

- **The application was thorough**
  The application section engaged with every relevant fact and connected it to the applicable rule. It did not simply state the rule and jump to a conclusion.

- **Multiple authorities were integrated**
  Issue 4 wove together four different cases (Watermeyer, Tel Peda, Henckert, Bhamjee) to analyse a single factual situation. This is the hallmark of sophisticated legal analysis.

- **The conclusion was direct**
  Each issue ended with a clear, direct conclusion that answered the specific question posed. No hedging, no vagueness.

- **The overall conclusion was comprehensive**
  The final paragraph drew all the threads together in a single, coherent conclusion that answered the overall question: was a contract concluded?

NEXT STEP	*Now try writing your own IRAC answer to a different contract law problem. Use the blank IRAC worksheet (Resource 6) to structure your answer. The goal is to practise until the IRAC structure is automatic.*