

Once an offer has been made, it must either be declined or agreed to. When an offer is agreed to or rejected, its purpose has been served and it ultimately becomes irrelevant. In the event that an offer is accepted, it is converted from an offer to a contract. In the scenario, Jack did not agree to the offer when it was presented to him. Rather he elected to defer the offer while he mull over the details. In the first stage of the interaction between Jack and Ray, there was no acceptance of an offer, however Jack expressed some degree of indisputable interest otherwise he would not have opted to evaluate the offer. If there was no interest, Jack would not have required time to reflect on the offer.

The second method beyond agreement by which to terminate an offer is to reject it. The act of rejecting an offer is self explanatory. An offer is made to an individual and for any number of reasons (e.g. disinterest, lack of funds to meet the seller's asking price) the individual will turn the offer down. Under the jurisdiction of Malaysian contract law, prior to rejecting an offer, many individuals will present a counter offer. In a counter offer, the offeree will essentially reject or modify the terms of the original offer and present their own offer to the offeror. This is what Jack did. After a few days, he returned to Ray with a newly modified offer. The vast majority of the details of Ray's original offer remained untouched. The type and quantity of the machinery were the same as originally offered, however while Ray had anticipated payment upfront, Jack was now requesting that he present payment within the six week period that followed the delivery of the machinery. This particular element of the deal is exceptionally vital, as it changes the nature of the contract.

In the original offer, Ray was the offeror and Jack was the offeree to whom the offer was presented. By making a counter offer, Jack surrendered his right as offeree and became the offeror. When presented, a counter-offer will terminate the original offer (Alsagoff 2010, p. 52).

This detail is particularly important, because it voids the original offer and potential contract that may have existed between Jack and Ray. In this sense Jack has no feasible claim to the machinery. A scenario in which he would have claim to the machinery would involve Jack writing to Ray within a few days agreeing to the original offer, rather than issuing Ray a counter offer. In Malaysian contract law, counter offers are customarily brought up in the same breath as requests for additional information. The primary similarity between the two concepts is the fact that the offeree is reaching out to the offeror with a request for more information. That being said, all similarities between the two concepts ultimately end there. A request for more information is an innocuous, non-compromising form of contact that does nothing for the contract. An example of this would be Jack reaching out to Ray a day after the initial offer was made to ask about the age of the machinery or their monthly electrical requirements and the natural impact it will have on his expenses. In spite of this, Jack did not make any noted requests for additional information, and instead made a counter offer which effectively voided the original offer.

The situation and its potential repercussions would have panned out quite differently had Jack made a down payment of sorts in exchange for the initially requested ten days he was permitted during which he would evaluate the machinery to determine its worth. The scenario questions whether the circumstance would have played out differently in the event that Jack had paid Ray RM500. This would technically be classifiable as an option contract. Jack would be paying a premium for what is arguably preferential treatment in the form of a ten day grace period during which he would have secure time to determine if he wanted the machinery. Had Jack made this payment, Ray's decision to sell to Marina would have been classifiable as a

breach of contract. Unfortunately for Jack, he did not issue any sort of premium and instead sent a counter offer voiding his original offer.

The final area of the scenario requiring attention is the relevance and applicability of postal rule. According to Malaysian contract law, an offer made by post does not carry weight until it has been delivered to and received by the offeree (Alsagoff 2010, p. 52). Alternatively, a mailed form of acceptance comes into effect the moment it is sent. Similar to an original offer, it is required that the offeree prior to their posting of their acceptance receives a letter of revocation. It is at this point of the scenario that the series of events becomes somewhat complicated, however the fact that Jack previously issued a counter offer remains unflinching.

Since Jack mailed Roy a counter offer on the 18th, it could be assumed that the counter offer letter was already in Ray's possession by the 20th. The mild problem however is the fact that Jack had not received Ray's letter revoking the original offer prior to his mailing of a second letter accepting the original offer. As stated by the postal rule, an offer of revocation must be received by the offeree prior to their posting of acceptance. While all of this is true, Jack had already sent out a counter offer, voiding the original offer made by Ray. In this sense, the original offer was no longer Jack's to accept, considering he himself had voided it through his counter offer. In this sense, Jack lays no claim to the machinery. Not only that, but he has no grounds to press charges against Ray under Malaysian contract law. Had Jack not issued a counter offer, he would have grounds for the formulation against Ray. The same outcome applies to a hypothetical situation in which Jack had paid Ray for a ten day grace period, inciting the formulation of an options contract. However, because Jack made a counter argument and offered no up front payment to Jack, he has no grounds to pursue any sort of legal action against Ray for selling the machinery to Marina.

Bibliography

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