**Activity 2: Test your understanding**

Now it’s time to test your knowledge. Complete the following scenarios to demonstrate your understanding of the key elements of a contract.

**Scenario 1**

Mr Martínez and a local contractor have a written agreement for the contractor to build a garage on Mr Martínez’s property for £20,000. Both parties have signed the contract, showing their ……………………………… to make the agreement legally binding.

**Scenario 2**

A homeowner agrees to pay a builder £45,000 to renovate their kitchen. The £45,000 payment is the ……………………………… from the homeowner, while the builder’s ……………………………… is the completion of the kitchen renovation.

**Scenario 3**

A construction company offers to build a house for a family for £200,000, with work starting in April. The family agrees to the offer, but asks for work to begin in May instead. The company agrees to this change, and both parties accept the new terms. This is an example of mutual ……………………………… .

**Scenario 4**

A construction company agreed to build an office extension for a business. Halfway through the project, the company stops work without reason. The business can sue for breach of ………………………………, as the company did not fulfil its part of the agreement.

**Scenario 5**

A builder offers to build a conservatory for Mrs Green for a total cost of £30,000, to be completed within three months. Mrs Green responds that she will pay £28,000 instead. Mrs Green’s response is not ………………………………; it is a ……………………………… .

**Scenario 6**

A contractor offers to resurface the driveway of a homeowner’s property for £10,000. The homeowner responds with an offer of £8,000, but the contractor insists on £10,000. This back-and-forth is an example of a ………………………………, not an acceptance.

**Scenario 7**

Mr Singh approaches a construction firm to build a two-room extension on his home. The company provides a quote of £40,000 for the full project. Mr Singh agrees to this price by signing a contract, showing his ……………………………… to the builder's proposal. In exchange for completing the extension, Mr Singh agrees to make staged payments throughout the build, which acts as the ……………………………… in the contract. Both parties clearly understand that their agreement is legally enforceable, highlighting the ……………………………… to create legal relations. The construction company originally made the ……………………………… when they provided the £40,000 quote for the job.

**Scenario 8**

Ms Williams hires a contractor to renovate her bathroom for £15,000. The contractor sends a detailed breakdown of the work, including replacing the bathtub and tiling. This breakdown constitutes the ……………………………… from the contractor. Ms Williams agrees to the contractor's terms, showing her ……………………………… to go ahead with the project. Both Ms Williams and the contractor sign a contract for the renovation project, reflecting their ……………………………… to create legal relations. Ms Williams will pay the agreed amount in instalments as the work progresses, providing the necessary ……………………………… for the agreement.