Offer
When one person signifies to another his willingness to do or to abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to make a proposal (offer).

Acceptance
When the person to whom the proposal is made signifies his assent to it, the proposal is said to be accepted.

Essentials of an offer
1. At least two persons
2. Certain and definite
3. Contractual intention
4. Communication
5. Objective of obtaining consent
6. It can be conditional
7. Negative confirmation not allowed
8. It is different from invitation of offer
9. Communication of special conditions

Lapse of an offer
1. Revocation by offeror before acceptance
2. Lapse of fixed time or reasonable time
3. Death or insanity of offeror (when offeree becomes aware)
4. Non-fulfillment of condition precedent
5. Non-acceptance / Rejection by offeree
6. Counter offer
7. Non-acceptance according to requirement
8. Subsequent illegality or destruction

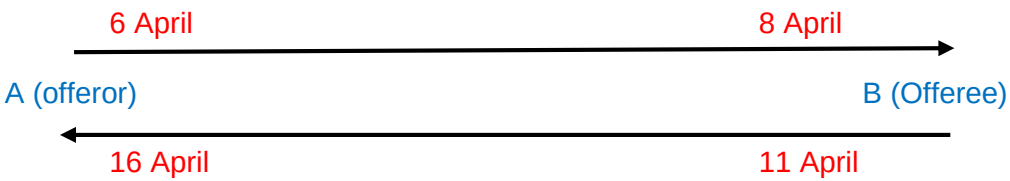
Essentials of acceptance
1. Absolute and unconditional
2. Communication (see postal rule)
3. Reasonable time
4. Reasonable mode
5. Awareness of proposal
6. It must be before lapse of an offer
7. Negative confirmation not allowed

Types of offer
1. Specific offer: offer made to specific person or group of persons.
2. General offer: offer to the world or public, anyone can accept.
3. Cross offers: offers exchanged in ignorance of each other's offers.
4. Standing offer (continuing offer/tender): Offer of on-going nature.
5. Counter offer: Offer in response to original offer.

Postal Rule	
Type of communication	**When communication is complete**
Acceptance (against the offeror)	Date of posting a proper acceptance letter
Acceptance (against the offeree)	Date of receiving the acceptance letter
All other communication	Date of receiving the letter

Revocation (timing and communication)	
Offer	***Acceptance***
The revocation of offer must be communicated before letter of acceptance is posted by offeree i.e. 11 April	The revocation of acceptance must be communicated before letter of acceptance reaches the offeror i.e. 16 April.

Illustration:



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