This chapter discusses the approach adopted by the courts when seeking to ascertain the intention of the parties to a contract. The general rule is that the existence and content of an agreement are questions that must be answered by reference to the intention of the parties, objectively ascertained. Two leading cases are presented that consider the scope of the objective test, namely *Smith v. Hughes* (1871) LR 6 QB 597 and *Centrovincial Estates plc v. Merchant Investors Assurance Company Ltd* [1983] Com LR 158. The discussion then turns to the case where one party attempts to ‘snap up’ an offer which he knew that the offeror did not intend, and the case where one party was at fault in failing to notice that the other party’s offer contained a mistake, or he was himself responsible for inducing that mistake in the other party. The chapter concludes that it is not necessary to resort to a subjective approach in order to explain these cases; they can be analysed in terms consistent with the objective test which is generally applied by the courts.
2. Agreement: Objective or Subjective?

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