IRAC method of legal analysis

Answering legal problems involves a logical, step-by-step process, much like solving a mathematical problem. In mathematics, you identify the problem, apply a formula, arrive at a new problem, apply the next formula, and continue until you reach a solution. Legal problem-solving follows a similar approach. Rather than involving a single issue, most assessment and examination questions contain multiple legal issues that must be identified and addressed in sequence.

The process begins by identifying the starting point of the problem. You then apply the relevant legal principles to resolve each issue as it arises, moving logically towards a conclusion. Each issue should be fully analysed before progressing to the next. Often, the resolution of one issue will determine the next issue that must be considered, or it may eliminate the need to examine further issues altogether.

A useful and widely adopted method for working through legal problems is encapsulated in the mnemonic IRAC, which stands for:

- **ISSUE:** identify your immediate problem
- **RULE:** identify the rule/s of law involved
- **APPLICATION/ANALYSIS:** apply the rule/s of law to the facts given, and
- **CONCLUSION:** state the result of that application.

For example, take this situation:

> *Person A displays a watch in his shop window with a price tag marked $20. Person B enters the shop and says, "I will take that watch". Person A says, "It is marked incorrectly, the tag should read $200". Can Person B demand that Person A complete the sale and sell them the watch?*

Ultimately, what is at issue here is, "Has a binding contract to sell the watch arisen?" However, to answer this question, other lesser 'issues' must be resolved - specifically, is there an offer and an acceptance?

Our treatment of the above question (which lends itself to a chronological treatment), would be resolved somewhat like this:

Issue 1: Is the display of the watch an offer to sell at $20?

Rule/s: An offer is a firm promise to do or refrain from doing something, made with the intention that a binding obligation will arise upon acceptance.

The mere display of an item for sale does not *of itself* generally constitute an offer to sell it either at the marked price or at all (see *Fisher v Bell, 1961; Pharmaceutical Society v Boots Cash Chemists, 1953*).

Application/Analysis: Here, there is a bare display of an item for sale. There is nothing to indicate Person A's intention to sell it - other than that bare display.

Conclusion: Therefore, the display is unlikely to be an offer. It is probably only an invitation to treat (an invitation to others inviting them to deal with you).

Issue 2: Is there an offer elsewhere in the transaction?

Rule/s: As above.

Application/Analysis: Person B's statement satisfies all of the criteria for an offer to buy the watch for $20.

Conclusion: An offer to buy has arisen when Person B says, “I will take that watch”. Person B is the offeror and Person A is the offeree.

Issue 3: Has that offer been accepted?

Rule/s: An acceptance is an unequivocal agreement to the terms of an offer communicated by the offeree to the offeror (see *Hyde v Wrench, 1840*).

Application/Analysis: Here there has been no acceptance of the terms of Person B’s offer. Person A's statement is either merely providing further information, or it may possibly be a counter-offer. In either case, it falls short of acceptance.

Conclusion: Because there is no acceptance in law there is no contract on which Person B can sue. Therefore, they cannot force Person A to sell the watch to them.

You can see from the above that legal problem-solving is a step-by-step process that leads towards a reasoned conclusion. In some cases, however, the outcome may not be clear-cut. You may find that your conclusion needs to be qualified because it depends on facts that are unknown or uncertain. This is entirely acceptable and should not cause concern. In legal problem questions, the majority of marks are awarded for the quality of your analysis and reasoning, rather than for arriving at a single ‘correct’ answer. Demonstrating a logical application of legal principles to the facts is far more important than the conclusion itself.

Finally, when answering legal problem questions using the IRAC framework, you are typically expected to structure your response under clearly labelled headings corresponding to each stage of the IRAC framework (e.g., Issue, Rule, Application/Analysis, and Conclusion). Dot points may be used to identify and list issues in the Issue section, and to outline the relevant legal rules in the Rule section. However, the Application/Analysis and Conclusion sections should be written in full sentences using a formal, essay-style format. This approach helps ensure that your reasoning is clear, logical, and easy for the marker to follow.

References

Fisher v Bell (1961) 1 QB 394
Hyde v Wrench (1840) 49 ER 132
Pharmaceutical Society v Boots Cash Chemists (1953) 1 QB 401

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