

Devry business law assignment

Law



The definition of a valid contract is that it complies with all of the legal requirements for a contract. There are several types of contracts. First is a unilateral contract, which is one that only one of the parties involved makes the promise. The other party involved would then act in return for the promise stated. A bilateral contract is when both parties make a promise. An implied contract is when there are surrounding circumstances along with facts, which show that a promise was created. A contract is not executed when all of the parties involved have fully completed their promise and contractual duties.

In order for the offer to be valid, there are several basic elements. First, there must be intent to contract. Secondly, it must be communicated to the acquirer. Lastly, the terms and conditions need to be certain and definitive. All parties involved have the right to duress from one another. If these elements are not met, the contract may be seen as invalid. In contract law, in order for a contract to exist, one party must make an offer and the other must accept the offer. There are several rules to the accepting of an offer. First, prior to the offer being accepted, the offer may be withdrawn.

The offeree must accept the offer, which is the person who was made the offer. Another person cannot accept the offer on their behalf without specific authorization. For example, if a power of attorney exists, another person may be able to accept the offer. If the offer specifies a method in which the acceptance should be given, it must come in that form. For example, if the offeror states that the acceptance must come via fax and no other method is allowed, it is the only form that can be accepted. In order for a binding

contract to be created, there must be consideration in order for it to become legally sufficient.

The consideration in contracts is when one party for a specific promise gives something of value from the other party stated in the contract. The consideration may be given for the performance of an act or not performing an act. One example of this would be that one party pays another party to not put up a fence of their property. In order for the contract to become enforceable, the consideration must be adequate. The adequacy does not mean that the price matches, exceeds, or is the fair market value. Instead, it means that the agreed consideration is measured.

There must be value that can be objectively determined in order for consideration to exist. Pennsylvania law allows for the recovery of damages when a contract is breached. Essentially, any damages incurred due to the breach will total a sum that will compensate the non-breaching party for all loss in which they sustained. In order for this to take effect, the non-breaching party must present sufficient evidence of what exactly the damages were. The damages need to be reasonably foreseeable at the time the contract was entered into and also reasonable certain as to the calculations.

Examples of these damages would include lost profits, lost rental income, an increase of rental costs, an increase of labor costs, an increase of material costs, and so forth.

References:

1. Miller, R. L. , & Jentz, G. A. (2010).

2. Business Law Today: Comprehensive Edition. In R. L. Miller, & G. A. Jentz, Business Law Today: Comprehensive Edition (pp. 248 - 256). Cengage. Schwartz, S. (2012).
3. Schwartz & Blackman. Retrieved from Pennsylvania Commercial Law: Breach of Contract and the Duty to Mitigate Damages: <http://www.schwartzandblackman.com/pennsylvania-commercial-law-breach-of-contract-and-the-duty-to-mitigate-damages-part-two/>