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In business and legal transactions there are certain laws that guide the transaction process of any operation in modern world. Considering this, the following research analysis aims at evaluating the difference between a condition, a warranty and an intermediate. In addition to this, there are some practical cases that incorporate the three terms appearing under legal jurisdiction. What is referred to as a condition can be defined as the essence of a contract. In other words condition is the main basis behind a contract. The breach of a condition is seen as a major breach of a contract and the violating party is entitled to legal actions as stipulated under the country’s laws of contract.

A warranty, on the other hand, refers to an assurance by one party or the other that a certain condition will be met. The other party is entitled to rely on the assurance and any violation to fulfill the obligations of a warranty is punishable by law. An intermediate refers to the situation where the system does not automatically discharge the innocent party from its obligations under the contract or entitle an injured party to damages. This implies that a court or an arbitrator is supposed to evaluate the seriousness of the breach and make recommendations before any legal action is taken. The distinction between a warranty and a condition comes from the fact that a condition is very essential to its very nature, and in the occurrences of the violation of a condition the aggrieved prty is entitled to treat the contract as discharged.

In addition, the aggrieved party is therefore not bound in any way whatsoever under the contract. On the other hand, a warranty is collateral or a subsidiary to the main purpose of the contract. This implies that a condition is a more superior term than a warranty under the law of contract. A discharge from a warranty is itself not very vital and only entitles the innocent party to an action for damages. This implies that the innocent party cannot treat the contract as discharged.

The mandate of determining whether the terms of a contract is a condition or a warranty falls under the common laws governing a contract. However, the importance lies in the remedy in the case of breach. Cases ConditionBarnett, Hoares, & Co vs. The South London Tramways Company 18 QBD Court of Appeal 10 May 1887 The tramway company operated under the terms that contractors would be hired to execute certain works. Under the contract, the defendants were entitled to a certain percentage of the price of the work completed as stipulated by the terms of contract.

The complaint was that the tramway company had entered into a contract with Green & Burleigh, contractors, for the construction of a portion of their line. However, the company had failed to honor its part of the bargain regarding the conditions of the contract by retaining a certain percentage certified on an account from time to time until the expiration of a peeriod of six months ending March 21, 1884 whereby the contractors were required to maintain the line. In the course of the work the contractors applied for a ? 2000 advance to the bank, who was the plaintiff. However, the plaintiff’s secretary was found by the judge to act erroneously by making the representations that bound the company legally by ways of estoppels. Alati vs. Kruger 1955 HCA 64; ALR 1047This case involved the purchase of a fruit business by Alati from Kruger carried on in leased premises for the price of ? 700.

However, Alati admitted having been induced to enter into the conditions of the contract through misrepresentation going by the undertakings of the business. Under this, Kruger alleged that his entering into the terms of the contract as well as his agreeing to pay the stipulated price was due to the fact that Alati had warranted that the average takings of the business were ? 100 per week. This led to Kruger claiming rescission of the contract and thereby applying for a return of the purchase money and the damages. During the trial, Kruger was able to argue his indicating that there were indeed misrepresentations amounting to three misrepresentations. However, Kruger failed to prove to the bench that during the entering of him into the contract, he had relied on the conditions by Alati and had disregarded his own conditions. There was also proof that Alati had indicated in the contract that the average takings were ? 100 per week and this had been presented to Kruger for signing.