

# Buying the farm

Business



Buying the farm Buying the farm An oral contract is a mutual agreement between two or more parties to purchase or sell or enter into a business transaction by the word of mouth or where there is no existence of written evidence (Hinkel, 2007). The general purpose why a contract is drawn is to protect the rights and interest of each party involved in the transactions and to help to solve any disagreement that may emerge later (Hinkel, 2007). Oral contracts are usually drawn when the parties involved agree to be bound in their transactions through the use of unwritten agreements and where the transactions involved are not bound by the requirements of statute of frauds (Hinkel, 2007). From the case of Tim to purchase a farm from Mary Ann and complete the arrangement on oral ground is a contract which is not enforceable as it is against the statute of frauds which require some contracts to be in writing and should be signed by all parties who are to be bound by the contract (Hinkel, 2007). This is to prevent injury of any party due to any fraudulent conduct (Hinkel, 2007).

The contract between Tim and Mary Ann, which involves the transactions in a farm, is not enforceable because the following conditions were not met, there was no legal capacity of the parties into the contract because the contract was made contrary to what the law provides, there was lack of mutual agreement as the parties failed to agree on a written platform, the oral contract lacked the lawful purpose and intention as the contract was arrived at, contrary to the laws (Hinkel, 2007). Lastly the contract lacked a written agreement, which is provided in the statute of the frauds which demand such contracts to be in writing (Hinkel, 2007). These conditions make the contract invalid and unenforceable.

In conclusion, the oral contract between Tim and Mary Ann could not be  
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enforced under the agreements of sale the property.

#### References

Hinkel, D. (2007). Practical Real Estate Law. New York: Cengage Learning