

Business regulations and practices

[Business](#)



Due Business Contract Regulations and Practices 8 A contract has two parties, an offeror and an offeree. An offeror makes an offer which the offeree accepts or rejects. Neither the offeror nor the offeree is coerced into playing their part of a contract; it is all out of freewill. Here is a case where Sullivan makes an offer to sell his 40-acre tract of land to Ball, and the latter accepts it immediately. At the point of Ball accepting Sullivan's offer, a contract was initiated. Ball, therefore, has legitimate grounds of holding Sullivan to a contract for the sale of the 40-acre piece of land. There are, however certain exceptions that would render a contract invalid even if there was an offer and an acceptance within a defined period of time. The offeror, in this case Sullivan, may need to prove beyond any reasonable doubt that he was not in the right frame of mind when he made the offer. If he does, a court of law may render the contract invalid, otherwise it remains binding and Sullivan must sell his 40-acre tract of land to Ball for \$60000 (Elliott et al 3).

8-2. 1

In contract laws, both making an offer by the offeror and acceptance or rejection of the offer by the offeree must be communicated to both parties. The offeree must receive the offer, and the offeror must receive a communication from the offeree notifying him/her of the acceptance or rejection of the offer. Chernek makes an offer to sell used farm equipment to Bollow for \$10000. Bollow receives the offer, which is okay. Chernek dies before Bollow accepts the offer. Bollow accepts the offer after the offeror had died, but the Chernek is no longer living to be able to receive the acceptance. There is no valid contract in this case. Bollow must accept that

there is no more Chernek to complete the contract by receiving his acceptance (Elliott et al 4).

8-2. 2

When the equipment were lost to an accidental fire disaster, and it is proven that the fire was indeed purely accidental, the contract becomes invalid because it even happened prior to Bollow sending her acceptance of the offer to Chernek. Since the equipment that would be the subject of a contract no longer exist, and they are burnt down before there is the acceptance bit of the deal, the contract is instantly rendered null and void even if Bollow sends the acceptance.

8-2. 3

Chernek died before the acceptance of the offer by Bollow. The general rule is that, if the offeror dies before the offeree accepts the contract, it remains terminated. It is evident acceptance was only communicated after Chernek's death; hence the contract was terminated. What makes it more invalid is the fact Bollow is aware of Chernek's death within the 30-day period and still goes on to accept the offer. Then, there is no offeror to complete the contract, and we are not told he had any representatives to proceed with the contract in the event that he died or got incapacitated.

8-2. 4

In circumstances where the party to whom the offer was made dies and the representatives agree to continue with the contract, it may be allowed. Similarly, Bollow had, by implication of his conduct (paying 100 dollars for a thirty day period), shown his commitment; and it follows that he had implied his wish to continue with the contract to the point of accepting the offer

within the 30-day period. Furthermore, his estate made an acceptance of the contract within the stipulated time. The rule is that an offer must be accepted within the stipulated time, and that was correctly done by Bollows estate. There is a contract in this case (Elliott et al 6). However, Cherek may refuse to complete the contract with Bollow's estate if Bollow did not give an option of her estate continuing the contract in her absence.

8-4

On a Thursday, Dennis makes an offer to sell his car to Tanya for \$3000, and decides to revoke it on Saturday. He sends a letter notifying the revocation to Tanya's office on a Saturday. Tanya did not visit her office during the weekend, so she did not receive the letter notifying Dennis' revocation of the offer on the date it was sent. She reports to her office on Monday, and still does not get to read the letter. Maybe she hasn't seen it, but, really, that is not Dennis' mistake. She sent a letter notifying acceptance of the offer to Dennis before she read Dennis' letter notifying revocation. Tanya's acceptance does not create a contract. She may have sent the acceptance because she hadn't read Dennis' letter of revocation, but the mere fact that Dennis' letter happened first nullifies the contract, whether she had read it or not.

Work cited

Elliott, Catherine, & Frances, Quinn. Contract Law. 6th ed. Harlow: Pearson Longman, 2007. Print.