

Alpha electronic components, inc.: business report



The chips arrive a week early, on a Friday that is extremely busy on Beta's receiving dock. Beta's dockworkers check the bill of lading against the quantity marked on the boxes, but do not examine the chips. The chips are then put in the back of the warehouse until needed in the plant. The next week, when the chips are sent to the plant and unpacked, Beta's plant manager discovers that the quality is less than that stated in the parties' contract.

Beta contacts Alpha to inform it of the defect. Does Beta have any remedies? If so, what are they? If not, why not? In this example, Beta indeed has remedies. They can choose to reject the goods, and then cancel or cover the contract. According to article 2-508 of the USC, a buyer is allowed to reject non-conforming within a time period that is reasonable, only if the seller is notified in a timely manner. In this situation Beta examined the goods after a few days, and just so happened to be on a day that was particularly busy for them, which seems reasonable that that it would justify a delayed examination of the goods that were sent.

A buyer is given the right to inspect the goods which it receives if it is done within a reasonable time of the receipt. Even though they did have a delay in the examination, they were justified on two counts in their delayed inspection of the goods, as was noted before, they were busy and the goods arrived early. Beta clearly notified Alpha when they learned of the brevity of the situation. It should also be noted that a buyer is allowed to revoke the acceptance of a good within a reasonable time if it was difficult to find or discover a defect in the product.