

# Critical analysis of a cellphone service contract critical thinking examples

[Business](#), [Company](#)



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## **Business**

### Contract Analysis

#### Introduction

People have a usual misconception that contracts are the same as agreements; the only difference is that when an agreement encompasses enforceability by law when is it becomes a contract. The provisions of the law in which the five essential elements should exist in order to consider its validity bind contracts. An enforceable contract must demonstrate offer and acceptance, legal objective, mutual obligations, consideration and competent parties. These elements will be explored by analyzing an actual contract and determine whether it constitutes all the aforementioned elements. For this analysis, the sampled contract will be an actual AT&T Residential Agreement in which enforceability will be validated. Service agreements such as that of the AT&T Residential Service Agreement constitute all the required elements for its enforceability by law, thus making the agreement invalid.

1. Was the contract successfully fulfilled?

The Residential Service Agreement was signed under mutual agreement

between the subscriber and service provider (AT&T). The agreement states that the company is obliged to provide a telephone line service limited to residential address of the subscriber. The element of offer and acceptance was fulfilled in the agreement because the subscriber was able to get the service he applied for and the necessary installations to deliver that service were provided for the subscriber. It is stipulated in the agreement that AT&T is to provide the service package selected by the subscriber, which satisfies the offer element. On the other hand, the subscriber satisfied acceptance by affixing his signature, which demonstrates understanding of the agreement's terms and conditions. Furthermore, legal objective was also clearly stipulated in the clause of the agreement referencing arbitration, tariffs and all elements pertaining to legal mandates.

In terms of mutual obligations, the service agreement have stipulated the subscriber's payment obligations and AT&T's obligation to maintain and sustain continuum of services for the subscriber given the fulfillment made by the subscriber of his financial obligation. In case of the subscriber's failure to satisfy his obligations, the service agreement have included consideration clauses stipulating options for both the subscriber and AT&T. However, the agreement also considers the right of the company to terminate the service in accordance to the subscriber's failure to meet the obligation element of the contract. The rights of AT&T in terminating the contract and imposition of related financial obligations resulting to subscriber's failure to meet obligation is an exercise of competency, which is also applied to the subscriber. This is because the subscriber also has equal competence in the agreement in which the right to terminate service can also be exercised by

the subscriber due to failure of AT&T to provide service under the circumstances beyond AT&T's control.

## 2. Was there a breach of the contract?

There was no apparent breach of contract perceived in the agreement because AT&T was able to fulfill its obligations to the agreement and as long as the subscriber is doing the same, the agreement will remain in effect. However, if any of the parties have failed to satisfy the responsibilities stipulated the contract, a breach of contract shall exist. One example is when the subscriber stopped paying his bills for the services and refuse to accept considerations offered by AT&T, which is also stipulated in the cancellation clause of the service agreement. However, AT&T will also be held liable of breach of contract if it was not able to deliver the service within the timeframe specified by the agreement and if there was no indication any efforts made to mitigate the problem.

## 3. If so, what remedies were available?

The remedies specified in the agreement is pertaining to the event of damages set forth by the limitations of liabilities in which arbitration is applied depending on the prevailing laws in specific state. For example, disputes regarding billing, rates, non-delivery of service, over charges and other non-fulfillment of obligation are subject to arbitration in accordance to Section 9 of the Limitation of Liability Clause. Another example is the specified arbitration of dispute following the South Carolina Uniform Arbitration Act, Section 15-48-10 in which both the subscriber and AT&T are subject to arbitration in the event of dispute about the agreement.

## Conclusion

In a nutshell, the exemplified agreement appears to have satisfied all the five elements of an enforceable contract. Service providing companies such as AT&T are often perceived to be issuing service contracts to their subscribers that are only beneficial towards the company's profit interest. However, it can be assumed from analyzing AT&T's Residential Service Agreement that the company strictly follows the provisions of the law in terms of ensuring that the agreements they issue to their subscribers are in fact enforceable by law. It is important that agreements are enforceable in order to protect the interest of both the business and the customers in general.

## References

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