

# Breach of contract

Law



Breach of contract Introduction A contract is an agreement between two or more parties intended to create legally binding relationship and which can be enforced in a court of law. The parties are protected under the law of contract and are subject to all the conditions as written in the contractual document. A breach of contract arises when one of the parties to the contract fails to perform his part and therefore a breach of contract occurs. The aggrieved party is entitled to legal remedies available under the law of contract. The aggrieved party may seek an action in court for specific performance or damages. The main reason for remedies to breach of contracts is to compensate the aggrieved party and punish the other party for failing to perform his part of the contract (Rowan 56). Essentials for a valid contract For any contract to be valid and enforceable in a court of law, it must have all the essentials of a valid contract. These are: a) Offer. For a valid contract there must be an offer. This offer must be specific and it has to be communicated. In this case, Phil O. Dendrin approached the managers of caruana Chevrolet for an invitation to offer. The new car manager John Smith offered Mr. Dendrin an offer of Indy Vettes, a type of car normally used as a pace car in Indianapolis 500. b) Acceptance. For a contract to be binding it has to be accepted. Mr. Dendrin accepted the contract offered by John smith and both of them signed the agreement, which stated the price as the one on the list price. c) Consideration. A valid contract must have some consideration. Consideration is the price of the contract. In this case Mr. Dendrin wanted a car inconsideration for a certain amount of money. In this case his consideration was \$500, the deposit he paid. d) Capacity to contract. The parties to a contract must have the capacity to contract. The law of contract places restrictions on minors and insane persons except on <https://assignbuster.com/breach-of-contract-essay-samples/>

the supplies of food and necessities. Mr. Dendrin and Mr. Smith had the capacity to contract. The law recognizes them as the offeree and offeror respectively. e) Intention to create legally binding relationship. The parties to a contract must have intention to create legally binding relationship for a contract to be enforceable in a court of law (Balfour vs. Balfour, 1919). Mr. John Smith and Mr. Dendrin clearly wanted to create a legally binding relationship that's why both of them signed the agreement. Was there a valid contract between Mr. Phil O. Dendrin and Mr. John Smith of Caruana Chevrolet . Yes all the conditions of a valid contract were met as at the signing of the contract. The claims by Caruana Chevrolet that the order form was indefinite and incomplete is baseless as all the terms of a valid contract have been met. Mr Dendrin has a valid contract and is entitled to some remedies. Remedies available for breach of contract. Specific performance. Specific performance is a remedy available to parties to a contract who feel aggrieved and want their contract performed as agreed on the contract. Mr. Dendrin has a right to specific performance. Caruana Chevrolet should be compelled by the courts to specifically perform their undertaking as stated in the contract, they should not be blinded by the high demand for the vehicle hence prefer to sell to the highest bidders to make maximum profit while forgetting their contractual obligation to Mr. Dendrin (Union Eagle Ltd vs. Golden achievement Ltd). Damages. This is the compensation one of the parties to a contract can claim in the event of non performance of the contract. It's the duty of the court to determine how much to award. Mr. Dendrin is entitled to damages. These can be specific damages or general damages. He can sue for damages as a result of the losses he will incur as a result of the non performance of contract by Caruana Chevrolet . Injunction.

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The court can also place an injunction for Caruana Chevrolet to stop trading in the mentioned vehicles until they settle the matter of Mr. Dendrin.

Conclusion Mr. Dendrin has a valid contract and has a right to claim damages or specific performance. Caruana Chevrolet wants to refund Mr. Dendrin's deposit for the sole reason that they can get higher bargains for the model of the car indy vettes, whose demand gone up. The reasons forwarded by Caruana Chevrolet that the order signed by Mr. Dendrin is indefinite and incomplete are immaterial as the contract as constituted and signed by Mr. Dendrin is valid and enforceable. The courts should award Mr. Dendrin damages or compel Caruana Chevrolet to specifically perform their part of contract. If Caruana Chevrolet is allowed to refund the deposit only without damages then Mr. Dendrin will have suffered some loss occasioned by the non performance of contract by Caruana Chevrolet. These is against the major principle of the contract law which entitles all the parties to their rightful benefits accruing from the contract. Works cited. Balfour vs. Balfour, 1919 Solone Rowan, Oxford Journal of Legal Studies, Vol. 30, No. 3 (2010), pp. 497 doi: 10. 1093/ojls/gqq021. 2010. Union Eagle Ltd vs. Golden achievement Ltd