

Business law and ethics

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November 2, In considering the first scenario of this problem, one should look at the Parol Evidence Rule to find a solution (Ross et al 195). When this rule is considered, it will be found that the issue of furniture is not actually a part of the final contract. This is because of two extremely significant factors as elaborated by the above rule. The first is that the negotiations, which took place concerning the inclusion of furniture as part of the deal, were done orally. This means that the furniture was not in any way included in the final contract, and this ensures that it is not a part of the deal. Secondly, the Parol Evidence Rule states that the final contract, and the provisions within it, makes all the previous negotiations concerning the matter null and void. The final contract is considered the final piece of agreement, and is deemed to contain all the information that is necessary for the deal to take place effectively. Moreover, the Parol Evidence Rule not only includes previous oral negotiations and agreements, but also those, which were put in writing. Therefore, when the final contract is signed, previous agreements are nullified because it is considered to supersede all of them. If the furniture was not included in the final contract, then the company, which is selling the warehouse, does not have to hand over the furniture, unless it chooses to do so as a gesture of goodwill.

When one considers the second scenario, it can be said that, despite the fact that the furniture is in the agreement, the provision for their transfer cannot be enforced because there is no agreement concerning the price of the mentioned furniture. This situation is brought about because the terms of the agreement concerning the furniture in the contract, are vague and were not conclusively considered. In order to enforce such an agreement, its provisions have to be reasonably certain concerning the issues that are

within it. The rationale for this is to ensure that the provisions are put into effect with little or no disagreements concerning with the terms of transfer. In this case, the provisions of the agreement do not state the price of the furniture, although the transfer of such furniture is mentioned. This agreement can be interpreted as one that is undeveloped and as such, its character can be considered promissory (Salbu 209). This means that the agreement was not supposed to be implemented immediately and that it is in fact, supposed to be implemented at a future date after further negotiations, concerning the matter, have been undertaken. Therefore, the agreement concerning the price of the furniture was left out because negotiations were not complete, and this ensures that the agreement is not binding to either party.

In case the dispute in the second scenario is taken to court for arbitration, it is most likely that the court will find the agreement not to be enforceable (Oman 1483). This means that this will not be legally bound to put a price on the furniture, which is the main point of dispute in the agreement. The solution of this problem will therefore, remain with the two companies. This means that the terms of the agreement will have to be renegotiated until a practical solution, for the problem, is found.

Works Cited

Oman, Nathan. "Unity and Pluralism in Contract Law." *Michigan law review* 103. 6 (2005): 1483-506.

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