

Business law module assignment



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This is applicable when the promissory makes a promise that lacks consideration, and intends r should reasonably expect that the promise will rely on the promise and in fact does, and that the enforcement of the promise is the only way to avoid injustice. In this case, promissory estoppels did not prevent Sears from terminating the contract. Generally speaking, a contract for permanent employment that provides no additional considerations (such as something benefiting the employer) for employment amounts to just a general hiring that is terminable at the will of either party.

The promise was fulfilled once the relationship between Former and Sears was established, and no additional benefit to Sears was provided. 4. Radio station ASKS announced that it would pay \$25, 000 to any listener who detected that it didn't play three songs in a row, but when Steve Jennings listened and heard a program where two songs were played followed by a commercial, he claimed the \$25, 000. The station refused to pay on the ground that there was no consideration for its promise to pay that amount.

Consideration is the bargained-for exchange between the parties to a contract. It can consist of either a benefit to the promissory or a loss or detriment to the promises. So when a promise acts to his detriment in reliance upon a promise there s sufficient consideration to bind the promissory to his promise. In this case it can be said that Jennings listened to the radio station because of the promise of being paid \$25, 000 if he could catch the radio station playing fewer than the three songs in a row.

So he relied on this to his detriment; he could have listened to any radio station, but chose ASKS because of the promise they made. Therefore there

is sufficient evidence showing there was consideration and the radio station would be liable. Chapter 16: 1 1 . Vodka was employed as a salesperson and contracting agent for American Security Services, and as part of his contract of employment, he signed an agreement that for three years after leaving this employment he would not solicit any customers from American.

After a few years he left, and organized a competing company that solicited American's customers. They sued him to enforce the restrictive covenant, but Vodka claimed that the restrictive covenant was illegal and not binding. A restrictive covenant is not binding when it places a restriction on the employee that is broader than reasonably necessary to protect the employer. In determining the Aladdin of a restrictive covenant the court balances the aim of protecting the Business Law Module 6 By Accomplishments gainful employment and provide services required by the public and other employers.

In the case of Vodka, this restrictive covenant was binding, because the constraints imposed were not considered unreasonable or oppressive and harsh. The protection of American's good will outweighs any hardship which the covenant may have on Vodka, and he is incorrect is stating the covenant was illegal and not binding. Chapter 17: 2. Martin made an oral contract with Cheshire Garage to work as its manager for two ears, and Cherishes wrote Martin a letter stating that the oral contract had been made and set forth all of its terms.

Creche refused to recognize the contract later, and Martin sued for breach of contract, and offered the letter as proof. Cheshire claimed the oral contract

was not binding because it was not in writing, and the letter referring to the contract wasn't a contract but only a letter. Under the statute of frauds, certain oral contracts must be evidenced by a writing to be legally enforced, meaning that either the contract itself must be in writing and signed by both parties or there just be a sufficient written memorandum of the oral contract signed by the person being sued for breach of contract.

So while the letter itself was not a contract, because the letter (which was written by the person being sued) states the contract had been made and laid out all of the terms of the oral contract would make the oral contract binding in this case. Chapter 18: 10. Soya operated a store in premises rented from Peerless, and the lease required Soya to maintain liability insurance to protect Soya and Peerless. Caldwell entered the store, and fell through a trap door, injuring herself. She then sued Soya and Peerless on the theory that she was a third-party beneficiary of the lease requirement to maintain liability insurance.

A third-party beneficiary is a third person whom the parties to a contract intend to benefit by the making of the contract and to confer upon such person the right to sue for breach of contract. Using this definition, Caldwell was not correct in stating she was a third party beneficiary. While she would benefit from the insurance requirement of the lease by ensuring recovery for any loss due to negligence, this benefit would be incidental and not direct, and therefore not applicable to third-party beneficiary on the contract. 12. Industrial Construction Co. Anted to raise money to construct a canning factory in Wisconsin. Various people promised to subscribe the needed amount which was promised to be paid upon completion of construction. The <https://assignbuster.com/business-law-module-assignment/>

construction company assigned its rights, and delegated its duties in an agreement to Johnson, who then built said cannery. Vickers, who was one of the subscribers, refused to pay the amount he had subscribed on the grounds that the contract could not be assigned. An assignment is a transfer of contractual rights to a third party, and cannot be transferred when it would materially affect or alter a duty or rights of the obligator.

In this case Vickers is incorrect, because there is no material change of rights and Industrial Construction Co can assign the benefits if they so choose. Chapter 19: 4. Metatarsals made a contract to design a new earth moving vehicle for Lamar Highway Construction Co. And they (metatarsals) were depending on Same, the head of the research department, to design a new product. Shortly after the contract was made, Same was killed in an accident and metatarsals was unable to design. Metatarsals claimed the contract was discharged by Same's death.

When a contract obligates a party to render or receive a personal service requiring specific skill, the death, incapacity or illness of the party that was to render or receive the service excuses both sides from a duty to perform. So because Metatarsals had no one else that could design a new product for Lamar after Same was killed, Metatarsals would be correct to say that the contract was discharged by Same's death. 5. The Thinners signed a contract to sell land to Crease. The contract specified that the sales transaction was to be completed in 90 days, but at the end of those 90 days, Crease requested an extension of time.

The Thinners refused to grant an extension and said the contract was terminated. Crease claimed that the 90 day clause was not binding because the contract did not state that time was of the essence. If the performance of the contract on or within the exact time specified is vital, it is said that “time is of the essence” and usually relates to property that is perishable or fluctuating rapidly in value. When a contract fixes by unambiguous language a time for performance, and there is no evidence to show that the parties did not intend that time should be of the essence, failure to perform within the specified time is a breach of contract.

Because the contract was specific in stating the sales transaction should be completed within 90 days implies that time was of the essence and by Crease not fulfilling the terms of the contract within those 90 days, the contract would be terminated. Chapter 20: 5. Protein Blender, Inc. Made a contract with Gingering to buy from him the shares of stock of a small corporation, but when the buyer refused to take and pay for the stock Gingering sued for specific performance of the contract on the ground that the value of the stock was unknown and could not readily be ascertained because it was not sold on the general market.

Specific performance is an action brought to compel the adverse party to perform a contract on the theory that merely suing for damages for its breach will not be an adequate remedy. In this case, specific performance would not be applicable because there exists adequate remedies of law which can give the exact relief being asked for. Corporate stock is considered personally, or personal property and includes everything which is the subject of ownership and is not classified as real estate, to which specific

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performance would not be applicable. Therefore, as stated before, specific performance is not applicable. 14. Protection

Alarm made a contract to provide burglar alarm security for Farewell's home. The contract stated that the maximum liability of the alarm company was the actual loss or \$50, whichever was the lesser, and the provision was agreed to "as liquidated damages and not as a penalty". When Farewell's home was burglarized, he sued for the loss of around \$12,000 saying the alarm company had been negligent, but the alarm company asserted that they were only liable up to \$50. Farewell claimed this was invalid because it bore no relationship to the loss that could have been foreseen when the contract was made or that had been sustained.

Liquid damages as defined as damages established in advance of a breach as an alternative to establishing compensatory damages at the time of the breach, and in order to be valid must satisfy two requirements: the situation must be one in which it is difficult or impossible to determine actual damages, and the amount specified must not be excessive. Because of this, Farewell would be correct. The alarm company only being liable up to \$50 is clearly unrelated to possible actual damages that might be sustained if a house was burglarized, and therefore the liquidated damages clause should be held void.