

# Contracts

Business



- 1) There is a valid contract between Adam and Bill since they agreed on two aspects; to open a joint venture and that Bill would sell Adam the restaurant in three years depending on its profitability. As a point of departure, it should be noted that a contract is a legally enforceable agreement between two or more people (Gibson, 1988). A contract can be verbal or in written form. Though Bill refused to sign the contract, the verbal agreement reached is binding. When a contract is created there is an offer and acceptance of that offer. Bill offers to sell Adam the restaurant and Adam accepted and this shows that a valid contract was cleared. Consideration of the terms of the contract also constitute a valid contract and it can be seen that this step was taken into account in the formation of this contract. The parties involved have the capacity to contract since they are mature enough to be responsible of their actions and the aspect of legality also exists in this contract and that is the reason why it became binding.
- 2) In the event that I am Adams' attorney, I would categorically state that the verbal agreement made between the two parties constitutes a valid contract. By an standard, it can be seen that a valid contract has been formed between Adams and Bill though the verbal agreement they entered into. Bill's attempt to breach the contract after realising that the restaurant has been making high profits is illegal.
- 3) Probably with little success in sight, I would try to argue on behalf of Bill that the contract should not be enforced because it was not written. Some people may argue that a verbal agreement is difficult to prove and this is the point I will base my argument on.