Business law problems

Business

BUSINESS LAW PROBLEMS Business Law Problems Business law is probably one of the fields in business that is marred by a lot of challenges and problems. Most of the issues involve contracts, which create a difference between one person and another. Some people go making contracts with their mouths. Such contracts do not hold water because they are to be signed by both parties, and each party retains a copy1. A number of examples of business law problems will be discussed hereafter.

Contractual modification or change: this is usually the change of terms or clauses in a contract between two parties. Though a change of contract may be necessary, some legal experts claim that this should not be the case. They argue that people making contracts should take consideration of possible changes in the future in making a contract. Take, for example, two people, where one is a supplier of goods while the other is the buyer. Assuming that the goods or services are to be delivered over a period of time, the costing of the product or service may be affected by economic changes like inflation2. The figure has been changed by about five to ten percent per year for the above. In that situation, the value of goods in this year would not be the same with the value the following year and the year after. In the case of Tabor and Martin, Martin can legally collect the a hundred dollars for the remaining contract because Tabor agreed to the terms. The recent contract or agreement precedes any prior agreements and would not matter whether Tabor had been informed prices would change or not. 3

Soberness: legal experts argue that people abiding through a contract should be sober before signing the agreement. In addition, they should have enough time to go through the contract and raise any contentious issues in

the contract. The contentious clauses and issues should be changed for the better of the contract to be binding. Some people have been very crafty and take advantage of others when they are not sober. The example question of Kira selling her diamond necklace to Charlotte for just a hundred dollars yet it is worth thousands of dollars, shows the consequences of signing a contract when intoxicated too well. When a person has signed a contract, it is assumed that they read through the contract and were comfortable with every clause in the contract and that is why s/he signed. Therefore, Kira selling her necklace was a done deal, as long as she signed a contract, and Charlotte can prove. Her necklace could not be returned, even when she offered to refund the money she had accepted. 4

Consideration: for any contract to be considered bound legally, it has to be consented by both parties through signing. If that is not done, then there is no legality of the contract. In the case of Lewis and Tuan, Tuan has the upper hand. He claimed that there was no legally abiding contract between them when Lewis won the race and demanded three thousand dollars from Tuan. True to that, as much as he promised Lewis money if he won, it was through a word of mouth. That in law is not considered as a contract. Therefore, the case would be throughout when Lewis sued Tuan. Lewis would even end up losing as he would have to pay for his lawyer and may be slapped with a fine by the court.

Contracts are very important in personal agreements and partnerships. People willing to enter any contractual agreement should know what they are, what they entail and what happens if there is a breach of contract.

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