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Businesses need to plan their affairs relying on the fact that contracts can be enforced in order to maintain the web of interdependent relationships.

Contracts are a way of enforcing agreements. One needs to anticipate the future as in thinking what can go right and what can go wrong, cause it allows one to project into the future e.g. wanting things to work out a certain way in the future, and so a contract can be used to have people do things into the future or protect you from things that can go wrong in the future.

It's not just a reactive thing but it gives one the possibility of planning into the future. It has a wealth maximisation function also since it is an exchange of goods and services to someone who values them the most such as one values the object in a store more than the money in one's pocket and the store values the money in one's pocket than the object they have in their store (objective and subjective approach e.g. when determining the value of something).

This as such creates wealth in society by moving goods and services to those who value it more. One flaw however is transaction cost such as advertisement cost etc, so contracts do not come for free it takes time and effort. The biggest transaction cost in interaction is legal cost. Efficiency - certainty (structure) - needed for a proper contract. Is there an agreement? - Objective approach is taken, what would a neutral person think looking at the transaction.

A judge does not have to prove fault or negligence the only thing required in a contract case is one agreeing to do one thing in contract but fails to follow that agreement and as such one is entitled to sue the other in breach of

contract. No need for fault or intentional wrongdoing. It all flows from agreement, not about fault, it is about agreement and breach of the said agreement. Is it legally enforceable? Some agreements are just not enforced legally such as two friends making an agreement. Entitled to sue and get a remedy when another person to that contract fails to carry out their part.

Contract is important due to the remedy that is given. Remedy - one remedy is being put back in the place you were before the contract was executed, another is where one is put in the expected position meaning the position one would be in had the contract been properly carried out usually wanted by the claimants, as it relates to the defendant one asks how much they have gained as in getting more money but the principle is that one should not gain from reaching a contract, another approach is the moral approach where it is immoral to breach a promise since a contract is where promises are made.

Punitive (punishing for wrong performance) is usually non-existent however countries such as the USA suing for punitive damages is available. Contract law takes an expectation approach rather than a reliance approach. Hire someone agrees to pay a fee for their service, they spent some money advertising the event and selling the ticket, performer offered a better deal and so breach the contract by taking the other job and as such they breached the contract for their original performance and so tickets needed to be refunded.

As it relates to reliance approach one can claim money was waste done advertisement and service fee all of which are reliance loss however as it

relates to expectation one looks at the money that they could have gained from the ticket selling whilst still taking into consideration the money paid for advertising and service and so one is claiming for the expectation loss for the ticket that could have been sold. Either they person performs what they promise or one is put in the position had he performed it properly.

Expectation interest allows one to plan based on the contract. Reliance interest - expectation protect ones ability to rely on a contract. As it relates to reliance loss one has to prove that had he not made the contract with one he would have made the contract with the same benefit from another agreement. Reliance can be used also where the contract is formed in a unfair manner such as duress since one would not want to be put in the position had the contract been carried out one would want to be put in a position before the contract was made.