

Review questions 9

[Linguistics](#), [English](#)



Business contracts Business Contracts Proposal letter is an official business letter that is sent by an individual or a company within the organization or outside the organization to another company to present a thought or business proposition, which can benefit both the individual and the company. It is a letter that incorporates the presentation of a person or an organization, a concise portrayal of the undertaking or proposition and all the key focuses and terms and conditions to sign the arrangement. On the other hand, letter of agreement is a composed written list of products, services, or space to be given at the agreed to costs, terms, and time. It turns into a binding contract when assented by the associated parties (Orford 2005). An agreement must encompass four vital elements to be considered a contract. The elements are as follows;

Offer

There must be an individual, clearly stated offer to do something. For instance: A reference by sub-contractor to the chief contractor and an offer to rent. An offer lapses when the time for acceptance expires; if the offer is withdrawn prior the receipt; or subsequently a reasonable time in the circumstances (typically the bigger the value of the contract, the lengthier the life of the offer

Acceptance

Just what is offered can be accepted. It implies that the offer must be accepted precisely as offered without conditions. In the event, that any new terms are proposed this is viewed as a counter offer that can be accepted or rejected.

There could be various offers and counter offers before having a consensus.

It is regardless of who makes the last offer, and it is the acceptance of that offer that brings the transactions to an end by creating the terms and conditions of the agreement.

Acceptance can be given verbally, in written, or surmised by activity that unmistakably shows acceptance that is the execution of the contract).

Overall, the acceptance must acclimate with the method endorsed by the offerer for it to be effective.

Intention of legal consequences

A contract obliges that the parties expect to go into a legitimately binding assent. That is, the parties going into the agreement must plan to make lawful relations and must comprehend that the agreement can be authorized by law.

The expectation to make lawful relations is assumed, so the agreement does not need to express explicitly that the partners understand and plan legitimate outcomes to take after.

On the off chance that the partner to an agreement chooses not to be lawfully bound, this must be naturally expressed in the agreement for it not to be legitimately enforceable.

Consideration

For a contract to be tying, it must be upheld by profitable thought. That is one collaborate guarantees to do something consequently for an assurance from the other party to give an advantage of quality (the consideration).

Consideration is what each partner provides for other as the agreed cost for others promise. Typically, the consideration is the installment of cash however, it require not be; it can be anything of worth the installment does

not have to be a reasonable payment. The courts will not mediate where one gathering has made a hard deal unless misrepresentation, pressure or unconscionable behavior is included.

A damage clause is a contractual provision under which parties to a contract approve a maximum amount recoverable as damages, in situations where either any of them is in breach of the contract.

Attrition Clause is a part of standard hotels' contracts. It used to certify that organizations accomplish their contracted duties.

A termination clause is a provision in an agreement that forms the basis of how the parties conclude their business affiliation and what their individual accountabilities are when the relationship comes to an end. A cancelation clause is a contract provision that permits any of the parties to cancel the contract following the happening of certain entitled events other than a defaulting. A termination clause comes in when the party in the contract have developed misunderstandings pertaining the terms and conditions, for instance, such as price or deadlines. On the other hand, cancelation clause appears when the uncertainty happens and cause inconveniences making it the contract ineffective.

Standardized Contracts are pacts that entail standardized, non-negotiated requirements, commonly in preprinted forms. The terms of the contract, often described in the fine print, are conscripted by or on behalf of one party with greater bargaining influence that usually participates in such relations. They few exemptions as the terms are often not consumer negotiable. Such contracts are employed by properties such as real estates since they are drafted by corporate lawyers far away from the center of the business to

allow efficiency in mass distribution of goods and services.

Standardized contracts have an advantage as they form the business-to-consumer contracts to accomplish a significant efficiency function in the bulk circulation of goods and services. They have the latent to shrink transaction costs by excluding the prerequisite to negotiating the many specifics of a contract. Nevertheless, these contracts also have the disadvantage as they are often trick or abuse consumers because of the uneven bargaining authority between the parties.

References

Orford, C. (2005). *Contract Terms and Conditions for The Small Business*.
Oxford: Oxford
University Press.