

# Law questions

Law



GROCERY, INC. SIMULATIONS Grocery, Inc. is a retail grocery store chain. It has written contracts with many different vendors Does Article 2 of the UCC apply to the contracts between Grocery, Inc. and its vendors? Do common law contracts apply? Explain your answer in detail. Your answer should compare and contrast common law contracts and UCC Article 2 contracts. Article 2 of the UCC applies to the contract because of article's scope that governs sale of goods in which the grocery stores deal. Common law also applies to the contract because of its scope that includes law of contracts (Cross and Miller, 2011).

2. Grocery Inc. has contracted with Reliable Construction to renovate a store. Reliable has accepted too many contracts and must sub-contract the Grocery Inc. renovation to Casual Handyman. Grocery Inc. was not aware of the sub-contract. When Grocery saw the poor work that was being done and that Casual, not Reliable, was doing the work, Grocery applied for a court order to stop Casual from doing any more work (injunction) and then sued Reliable for breach of contract, seeking specific performance of their contract. Reliable argued that it has a right to sub-contract the work or, in the alternative, to walk away from the contracts obligations because of commercial impracticability. Who wins? Explain your answer.

Grocery wins the case because the contract involves personal skills by Reliable or its employees. In addition, no natural phenomenon has occurred after the contract to warrant impracticability and this means that Reliable has no defense (Cross and Miller, 2011).

3. Jeff is 17 years old and works in the produce department. He made a down payment on a car that he purchased from Steve at a used car lot. Steve assumed that Jeff was over 18 years old and did not ask for proof of age. Six  
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months after the purchase, Jeff lost his job and could no longer make the \$200/month payments. Jeff returned the car to Steve and said he wanted to cancel the contract and that he wanted his money back. What are the possible outcomes? Explain your answers.

Steve is likely to accept the car and refund the money. This is because no valid contract existed and this further means that there was no consideration for the payment. Steve therefore owes Jeff the money (Cross and Miller, 2011).

4. Grocery Inc. has a written contract with Cereal Inc. to purchase 20 cases of cereal each month at \$22/case. The contract does not state the types of cereal or how the 20 cases will be divided among Groceries stores. After a flood, Cereal suffers extensive water damage to its warehouse and the contents therein. With the exception of Soggy Flakes, Cereal Inc. does not have enough undamaged product to comply with the Grocery contract. Twelve days before the delivery, Grocery had faxed Cereal requesting 15 cases of a variety of product to be delivered to five specific stores and the remaining 5 cases be delivered to Groceries warehouse. On the day the delivery from Cereal was due, Grocery receives 10 cases of Soggy Flakes at five of Groceries stores, but not the five stores previously specified by Grocery. Grocery wants to reject the 15-case delivery and cancel the contract with Cereal. Analyze the gap filling provisions of UCC Article 2 as they pertain to the terms of this contract. What rights or defenses, if any, does Cereal, Inc. have under contract law? Analyze the remedies available to Grocery, Inc. and Cereal, Inc. Explain all answers in detail.

Cereal has two major defenses. The contract did not specify types of cereals and this gives Cereals right to vary offered cereal types. Similarly, the <https://assignbuster.com/law-questions/>

contract did not specify delivery points and this negates Cereals' obligation to deliver at the specified locations. Grocery can however contract outside the contract to fill the gap that Cereals' shortage would create, as long as Cereals suffers shortage (Cross and Miller, 2011).

5. Tom is the produce manager at Grocery, Inc. He has a model train set that is quite extensive and valuable. When Tom was visiting Harry one day, he told Harry that when he retired in two years he wanted to sell his train set and travel on real trains. Tom also told Harry, also a model train enthusiast, that Harry was the only person he planned to sell his train set to. Harry said he looked forward to having Tom's trains. Harry then spent the next two years and most of his savings on a 2,000 sq. ft addition to his house to make room for the train set. When Harry told Tom that he was building the addition for the train set, Tom just smiled. Tom also heard that Harry had borrowed money from his aunt to help with the expense. When Tom retired, he sold his train set to David. Harry then sued Tom for breach of contract or, in the alternative, promissory estoppel. Who wins? Explain your answer.

Harry wins the case because UCC overrides common law provisions for contract laws and UCC provides for contract validity despite indefiniteness of an agreement. A basis therefore exists for a contract and grants application of promissory estoppels (Cross and Miller, 2011).

6. Jason shipped a truck load of peaches from his orchard to Grocery Inc. using an independent trucker. The truck broke down and the shipment was delayed three days. The peaches were spoiled on arrival. Who bears the risk? Explain your answer.

The independent trucker bears the risk because as an independent contractor, he assumes all involved risks in his operations (Cross and Miller, <https://assignbuster.com/law-questions/>

2011).

7. Supplier Inc. is a large wholesaler that has a contract with Grocery, Inc. Supplier sued Grocery when Grocery failed to place an order by a specific date, as required by the contract. Each order was to be worth at least \$550. Grocery argued that its employee Bill had signed a standard pre-printed supply contract that did not state specifics regarding time of order and quantity. Bill had the authority to sign a standard pre-printed supply contract but could not authorize specific terms. This limitation on Bills authority was unknown to Supplier. Supplier argued that the terms were “ boilerplate” and therefore could be modified by acceptance. Supplier offered oral testimony at trial to prove that Bill had agreed to the modifications. Is there a contract? If so, what are the terms? Explain your answers. Also, discuss the use of Supplier, Inc.’s oral testimony at trial.

A contract exists under output contract of the UCC. Even though Bill had no authority over such a contract, his negligence remains his liability and that of his employers, Groceries. The oral testimony is admissible, because UCC guidelines only restrict validity of contracts beyond stipulated quantities but provides for admissibility of any other form of oral evidence, and is therefore the evidence, particularly after its presentation in a trial (Cross and Miller, 2011).

Reference

Cross, F. and Miller, R. (2011). The legal environment of business: Text and cases: Ethical, regulatory, global, and corporate issues. Mason, OH: Cengage Learning.

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