

# [Business law i (bus 231) contract six ways an offer may be terminated](https://assignbuster.com/business-law-i-bus-231-contract-six-ways-an-offer-may-be-terminated/)

Lecturer: Business Law I (BUS 231) contract? Contract A contract refers to an agreement made between two parties who volunteer themselves in order to make a legal obligation. It is a legally binding document made either verbally or in written form. The breaching contract remedy can be in reimbursement or compensation terms. Therefore, the parties should obey the rules and in case anyone violates the contract, he or should compensate the victim for the expectation damage caused. For instance, the contract law in business is made to protect sellers, consumers and any vendor involving in the business deal. Any person above 18 years can sign the contract form. Although, in some instances, a person under below 18 years may be forced to sign an agreement but this depends on the contract type.
Elements of a Contract
First, it should have a subject of an agreement. The subject should indicate the conditions or contract terms made between two people. Therefore, the subject should have a permitted policy or legal matter. Secondly, the agreement should be considerable. Consideration is a valuable element in a contract, and it consists of the legal damage and negotiation. A legal damage is an agreement of refraining from causing damage. The purpose of this element is to ensure that there should be a negotiation rather than making inquiries in case one party is subjected to a loss or not (Keenan and Sarah 56). Thirdly, it should be competent to form an agreement. In this case, competency needs a minimum age and psychological capability of understanding the agreement. For instance, organization can engage in contracts but through actions of the required labor force who are competent in binding the contract. Fourthly, it should have lawful relationship meaning that the purpose of the agreement is to produce legitimate relations. Lastly, the agreement ought to have an offer and be acceptance. This means that the parties involving in the contract should make a bid or tender. Therefore, the tender should be acceptable meaning that it should provide satisfaction and meet the required standards for a reason. In this case, one party makes a tender and another one accept it because sometimes misunderstandings may occur. Therefore, the offer should satisfy both parties and have some evidence connected in conduct manifesting the agreement for both parties involved in the contract.
Ways an Offer May be Terminated
There are varied ways through which an offer may be terminated. First, through revocation whereby the offeror may cancel the agreement before the offeree admits it. This is termed as revocation or invalidation; thus, the offer will be terminated in case the offeror has not communicated in time. Secondly, rejection of an offer may lead to termination. For example, in case the offeree refuses the offer; therefore, the agreement can be terminated. Thirdly, expiry of time may contribute to contract termination. In case the offeror does not admit an offer within the specific time, it will be cancelled. Fourthly, unfulfilled conditions may contribute to the termination of the offer. This is in case one party does not meet the necessary conditions or the agreement terms. Fifth, death of either an offeror or offeree may lead to termination of an offer. Death or inability of either the offeror or offeree may lead to offer termination. According to Keenan and Sarah, (76), an offer may be deemed invalid until the death of one of the parties involved in the contract. Lastly, counter offers may lead to termination of an offer. In this case, one cannot accept an offer in the future when it has been destroyed. Therefore, the offer should remain intact to avoid being terminated.
Work Cited
Keenan, Denis J, and Sarah Riches. Business Law. Harlow: Pearson Longman, 2007. Print.