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Professor Scott

PUDM 4045 B

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Week 6 Assignment

Do the following problems and for each state in separate paragraphs: a) a summary of the facts, b) the legal issues involved, c) your analysis of the case and d) your conclusion

Pg. 180, problems 9–1 and 9–3

#9–1: Requirements of the offer

Ball writes to Sullivan and inquires how much Sullivan is asking for a specific forty-acre tract of land Sullivan owns. Ball then receives a letter from Sullivan stating, “I will not take less than \$60,000 for the forty-acre tract as specified.” Ball immediately sends Sullivan a fax stating, “I accept your offer for \$60,000 for the forty-acre tract as specified.” Discuss whether Ball can hold Sullivan to a contract for the sale of the land.

- a) Sullivan owns a specific forty-acre tract of land and Ball is inquiring how much the land is. Sullivan writes Ball a letter and said “ I will not take less than \$60,000 for the forty-acre tract as specified.” After receiving this letter, Ball immediately responds to Sullivan by accepting the offer.
- b) Both parties have written documentation of the offer and the acceptance for the specific situation. Sullivan extends a written offer and Ball accepts the written offer with a written acceptance. However, in the written offer extended by Sullivan, he states that he will take no less than \$60,000. Therefore, the offer is an invitation to negotiate.

- c) Even though it may seem that Sullivan and Ball are in agreement, they are not in reality. Because Sullivan only extended the offer to negotiate, there is an entire part of the offer that has to be considered. Sullivan has not accepted Ball's acceptance and that can be tricky.
- d) In conclusion, Sullivan does not have to accept the offer acceptance from Ball as it is not a legal contract and he did not accept the minimum price of \$60,000. He can potentially get other offers that offer to pay a lot more.

#9-3: Termination of the offer

Chernek, the sole owner of a small business, has a large piece of used farm equipment for sale. He offers to sell the equipment to Bollow for \$10,000. Discuss the legal effects of the following events on the offer. (See Agreement.) 1. Chernek dies prior to Bollow's acceptance, and at the time she accepts, Bollow is unaware of Chernek's death. 2. The night before Bollow accepts, a fire destroys the equipment. 3. Bollow pays \$100 for a thirty-day option to purchase the equipment. During this period, Chernek dies, and Bollow accepts the offer, knowing of Chernek's death. 4. Bollow pays \$100 for a thirty-day option to purchase the equipment. During this period, Bollow dies, and Bollow's estate accepts Chernek's offer within the stipulated time period.

- a) Chernek is the sole owner of a small business and has a large piece of farm equipment for sale. Chernek offers Bollow to sell the equipment for \$10,000. The following situations are:
1. Unfortunately, Chernek dies before Bollow accepts the offer but Bollow does not know Chernek has died.
 2. The equipment is destroyed in a fire the night before Bollow accepts the offer.
 3. Bollow decides to use the third-day option and pays \$100. However, knowing Chernek has died, Bollow still accepts the offer.

4. Bollow decides to use the third-day option and pays \$100. However, Bollow has died, and Bollow's estate still accepts Chernek's offer within the time period.
- b) There are multiple legal issues involved:
1. Chernek has died and Bollow is unaware of the situation. When someone dies, the offer is terminated and is no longer viable. Even if Bollow does not know of Chernek's death.
 2. There is no official contract, as Bollow has not officially accepted the offer.
 3. Since the contract started with 3 installments and has already paid \$100, the offer is irrevocable. Therefore, the death of Chernek does not terminate the contract as it has already begun. Now Chernek's estate is liable for all communication.
 4. Since the contract started with 3 installments and has already paid \$100 the offer is irrevocable. Therefore, the death of Bollow does not terminate the contract as it has already begun. This is unfortunate, but it is up to Bollow's estate or family to complete the installments.
- c) My analysis:
1. Chernek is dead and therefore the contract is not viable. This is because no one had officially accepted the contract. That is why when Chernek died the contract died with him too.
 2. The fire has destroyed the equipment and that is why, since there was no contract, Bollow has gotten out of paying Chernek for the equipment.

3. The contract had begun and the process of payment had begun too. This is unfortunate but, still, Ballow has to pay Cherek. The money will go to Cherek's estate and that is decided by the law.
 4. The contract had begun and the process of payment had begun too. This is unfortunate but still, Ballow has to pay Cherek. Ballow's estate or bank has to figure out how to pay him in installments. This is really upsetting for Ballow's family.
- d) In conclusion, all these situations are very different from one another and all have different consequences. Even though the same two people are involved and the same product is on the line, each situation can still take a different turn and cause various outcomes.