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Business Law 1122
Homework: 6

I. The Radiant Heating and Air Conditioning Company installed a central air-conditioning unit in Randy's house. At the time of signing the contract with Radiant Heating, Randy made a down payment, but she has not yet paid the balance due. Is her contract with Radiant Heating executory or executed?

Her contract with Radiant Heating is executory because it has not been fully performed by one or all parties.

II. Stack agreed to sell Haag a set of used encyclopedias if she paid him \$150. Haag paid Stack the \$150. Is this a contract

- a. valid, voidable, or void?
- b. unilateral or bilateral?

- a. The contract is valid.
- b. The contract is bilateral.

III. Yates, a vice president of the Washington Irving Bank, met with Morrow. They reached an agreement whereby the bank promised to loan Morrow money at 7½ percent interest per year for ten years if Morrow would bring all his personal and corporate banking business to Washington Irving Bank. The bank made loans to Morrow at this rate for five years until Yates resigned from the bank. Morrow was then notified by the bank that because of economic conditions it would need to charge a higher rate of interest on any new loans that were made. Morrow sued the bank for breach of contract, claiming that the bank had to continue the 7½ percent rate of interest because of the agreement. Should Morrow win this case?

Morrow should not win this case because the contract was for 10 years and he was only able to do 5 years.

IV. Jane Ives lived in Linwood, New Jersey, with her three school-age children. All three students went to Cosgrove High

School, which covered grades 9 through 12. By law, the school district had to furnish transportation for her children because they lived more than 2 miles from the school. They were, however, wrongfully refused transportation by the district. Consequently, Jane drove the three children to school every day for a year. At the end of the school year, she asked the school district to reimburse her for the expense incurred in using her car to drive the children to school. The school district refused to pay her, and so she brought suit to recover the money. Does she have a case?

Jane does have a case because she's supposed to get transportation by law, but didn't get it.

V. Tamara agrees to purchase a house through a real estate agent. When asked if anything serious is wrong with the house, the agent replied that there was nothing wrong (although he was aware of termite infestation). Once the contract was signed and Tamara moved in, she discovered the termite problem. Assuming that all elements of a contract were met, what was the status of the contract once Tamara had discovered the termite problem?

Once she discovered the termite problem it meant that the contract had been breached.

VI. Dante offered to pay Heckter \$5,000 to burn down Dante's restaurant so that he could collect money from the insurance company on a fire insurance policy he had acquired when he first opened the restaurant. Since opening the business, Dante had been losing money and now needed funds to pay longstanding obligations. Heckter burned down the restaurant as requested. Is Heckter entitled to the \$5,000?

Heckter is not entitled to the \$5,000 because this was an unenforceable contract, meaning it failed to meet some requirement of the law.

VII. Tankel started a lawn-cutting service business. He randomly selected names from the phone book and sent notices to these

individuals stating that he agreed to cut their lawns based on lawn size plus a 15 percent profit. He sent such a letter to Gibbs. Has a contract been formed between Tankel and Gibbs?

A contract has not been formed between Tankel and Gibbs because Gibbs has not offered anything in return to Tankel.

VIII. Compare and contrast a contract implied in fact and a contract implied in law.

The difference is that in a contract implied in fact the parties form the contract from their actions rather than from a specific oral or written agreement. A contract implied in law prevents one from benefiting at another's expense, but both are still contracts.

IX. Griffin went away for the weekend to a resort. While he was gone, a lawn service seeded his lawn and landscaped his backyard by mistake. The lawn service had actually contracted with Griffin's neighbor. Nevertheless, the lawn service billed Griffin for \$750. Griffin refused to pay, claiming he had not contracted with them to have lawn work done. Is Griffin liable for the payment?

Griffin is not liable for the payment because he didn't ask for this work to be done. It was the company's mistake and not his so he isn't liable for that.

X. Carver took his car to Dorschel Motors to have work done on the engine. He specifically told the head mechanic to repair, not replace, the engine. Instead of repairing the engine, the head mechanic instructed the mechanic who worked on the car to replace the engine with a rebuilt motor. Carver did not know of this work until he was handed the bill. When Carver asked why his instructions were not followed, the head mechanic stated that replacing the engine was the most economical thing to do. Was Carver liable for the bill, which included the cost of the engine and labor?

Carver is not liable for the bill in my opinion because he wanted what he asked for. He didn't want another person's opinion on what's best for the car.

Cases for Review

I. I don't believe Michelle is entitled to her claims because this contract was illegal. That automatically throws the whole case out the window.

II. The Nursing Care Services are able to collect under the theory that this was a quasi contract.

III. Sonnenburg and Hartnett should not be successful in their lawsuit based on unjust enrichment because they were told they'd get nothing out of helping.

IV. I believe Landsberg was correct because he told the scrabble company that he was trying to sell the book. That showed he wanted money and not have his idea stolen.

V. The contract didn't imply they would be teaching for another year so the tenure should've not played a role.

VI. A unilateral contract did not exist between Brown, the state of California, and the 7-Eleven. I say this because Brown could have gone to another store that sold that same type of lottery because I'm sure that's not the only place they sell it.