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Business Law 1122  
Homework: 7

I. a. What is the legal ramification that arises when one party makes an offer to another party?

b. When making a statement with the idea that an offer is being made, the offeror must distinguish his statement from

what other types of statements?

a. The legal ramification that arises when one party makes an offer to another party is acceptance.

b. The offeror must distinguish his statement from a joke statement, a non definitive offer and a non communicated offer.

II. O'Mally offers to sell her townhouse to Doctor for \$200,000. Doctor asks her if she would be willing to accept \$175,000. Is Doctor's offer considered a counteroffer.

Doctor's offer is considered a counteroffer because he wouldn't take the original offer so he made his own offer.

III. Park used her digital recorder to record an offer she wished to make to Reape by mail. Her secretary typed the offer and placed it on Park's desk for Park to review. Before the offer had been sent to Reape, Park called Reape, told her what she was doing, and stated that she would mail her the official offer to which Reape could respond, Instead of waiting for the offer to come in the mail, Reape immediately mailed an acceptance to Park. Was this acceptance valid?

I don't believe the offer was valid because it couldn't agree with the offer since Reape never saw the offer and just said "yes."

IV. Redfern, who recently opened a retail lighting fixture business, advertised on a local television station and in a

local newspaper, quoting grand opening sale prices on many items he had in stock. The grand opening sale was to last for one week. He did not realize how successful the sale would be. After the second day, he ran out of the sale items but financially could not afford to offer rain checks. There were several unfilled orders. Several customers threatened to sue Redfern in small claims court. Do these customers have a legal right to the merchandise that they ordered?

I don't believe those customers have a legal right to the merchandise because the sale was to last until he ran out.

V. Carpinski, in response to a letter by the Marion School District board of education, submitted a bid on May 1, offering to perform custodial services at Marion High School for a two-year period at a salary of \$30,000 per year. At a board of education meeting held on May 13, the board passed a resolution offering Carpinski a salary of \$25,000 per year. On May 15, Carpinski received a copy of this board resolution in the mail. Does a contract exist between Carpinski and the board of education?

A contract does not exist between Carpinski and the board of education. That's because all the board of education did was submit a counteroffer.

VI. On May 12, Leonard offered to sell Ginrich, an acquaintance, a used washer-dryer for \$400. Leonard told Ginrich that he had until May 17 to accept his offer. On May 13, Leonard received an offer to purchase the washer-dryer for \$450 from Bolton, a friend. Leonard immediately accepted Bolton's offer. On May 14, Bolton saw Ginrich and mentioned that he (Bolton) had just purchased a washer-dryer from Leonard. On May 15, however, Ginrich notified Leonard that he accepted the offer to buy the washer-dryer for \$400. Was Ginrich's acceptance valid?

Ginrich's acceptance should be valid because he had until the 17th to decide whether he wanted it or not. After that, Leonard, can start negotiating with others.

VII. Floyd, who lived in New York City, wrote a letter to Okcum in New Mexico offering to buy a piece of real property that was for sale. On receipt of the letter, Okcum mailed an answer accepting the offer. After the letter was sent, Okcum changed his mind and sent a telegram rejecting the offer. The telegram and the letter reached Floyd at the same time. Did a contract result?

A contract did result because Okcum had already properly accepted the offer.

VIII. On June 1, Essler mailed an offer to Weinberg to sell some household furniture at a special price of \$500, stating, "Your acceptance must be received by me no later than June 12." Weinberg then mailed an acceptance on June 7 but, due to a postal delay, the acceptance did not reach Essler until June 15. Was Weinberg's acceptance binding on Essler?

Weinberg's acceptance was indeed binding on Essler because of the mailbox rule.

IX. Masters, an antique dealer, promised Shatraw, an international dealer in rare antiques, that if Shatraw could obtain some rare vases from India within three weeks, he would pay Shatraw's airfare to India to obtain them and in addition to the cost of the vases would give him a bonus of \$1,000. Shatraw did obtain the vases within the three-week-period and delivered them to Masters. However, when Shatraw requested his money, Masters claimed there was no contract because of lack of consideration for the promise he made and would not pay Shatraw. Is Masters correct?

Masters is not correct because he made a reasonable offer and Shatraw accepted the offer which made a contract.

X. Dalton Jewelers in Chicago engaged in lengthy negotiations with Repp Realty Company in New York City for the purchase of a new building. The price of the building kept the parties from

concluding an immediate agreement. Repp's written offer to sell was \$500,000. The representatives for Dalton Jewelers finally replied by Telegram offering \$400,000, saying, "Take it or leave it." Repp Realty filed the telegram for future reference but did not respond. Dalton then sent a letter stating that Repp should disregard its prior communication offering \$400,000 and that it accepted the offer of \$500,000. Repp Realty wrote back stating, "The price is now \$600,000. Take it or leave it." Dalton promptly sent a telegram to Repp Realty saying that it held Repp to its original offer of \$500,000. Is Repp legally bound to sell the building to Dalton Jewelers for \$500,000?

Repp is legally bound to sell the building for \$500,000 because that's what they offered and it got accepted.

XI. On February 8, Legget sent a telegram offering to sell Picarro a personal computer. Picarro received the telegram the same day (February 8). Picarro mailed a letter of acceptance on February 9 at 11 A.M., which reached Legget on the afternoon of February 12. At 1:30 P.M. on February 9, Picarro received a telegram from Legget revoking the offer. Was the revocation effective?

The revocation was no effective because he can't take it back just because he changed his mind.

XII. On April 13, Afton offered by mail to sell his lawn care business to Baird for \$175,000. On April 19, Baird telegraphed his acceptance, which was delayed and did not reach Afton's office until April 21. On April 20, Afton died Was there a legally binding agreement?

Yes, there was a legal binding agreement between the two. It doesn't matter if on passed away because the offer was still made and accepted.

### **Cases for Review**

I. In my opinion, the offer Turilli made was a legit because he went on nationwide TV and proposed the offer to anyone.

II. Tuneup is correct because of the mailbox rule, but he would have to show evidence that he sent the letter.

III. D'Agostino should not win his case because there shouldn't be a case in the first place. The two parties couldn't arrive at a mutual deal and Spanos found someone else to sell the building to.

IV. The Mitchells are the rightful owners of the money because they legally bought the safe. You can't blame them for having such good luck.

V. O'Brien shouldn't win the case because it was the newspaper companies fault and not the people selling the car.

VI. There was a contract formed between the college and Steinberg to review his application based on that criteria.

VII. Lucy is not entitled to purchase the farm because a reasonable person wouldn't sell a farm for that much.

VIII. Broadmax was legally entitled to the reward because even if he didn't know, there was still a reward posted up.

IX. Thaelke is correct because he let Morrison know about the cancellation before he got the contract back.

X. I believe that Edmond is correct because the mall expansion is still part of the mall no matter what they say.