**[Week 2: Question 1](https://learn.dcollege.net/webapps/blackboard/content/launchLink.jsp?course_id=_168015_1&content_id=_5105018_1&mode=view)**

The following conversation took place between Maria and José:

1– “José, if you wanted to sell your car, what would you ask for it?”

2 – José replied, “I suppose $7,500 would be a fair price.”

3 – Maria then said, “I’ll take it if you will put new tires on the front wheels.”

4 – José responded, “Sold.”

Do Maria and José have a contract? Why or why not? Fully discuss each of their statements.

An offer expresses the wiliness of the offeror to enter a contractual agreement regarding a subject, here in the first statement Maria ask Jose if he was going to sell the car what price would he sell it for. This first statement does not put this negotiation into a contractual agreement but an offer to negotiate. In the second correspondence, here where Jose replied that he would sell the car for a fair price of $7,500, giving a price quotation on his intent to sell the car. Then the negotiation starts again when Maria says she will take the car if Jose adds new tired to the front wheels. Then Jose responded to the statement with an agreement that he will sell the car under those conditions. The contract that was made here was by words hence an express contract was implemented here. There was in intent and an acceptance given verbally.

[**Week 2: Question 2**](https://learn.dcollege.net/webapps/blackboard/content/launchLink.jsp?course_id=_168015_1&content_id=_5105019_1&mode=view)

Paulson made an offer to Zahira as follows:

"I offer to sell you 150 shares of Microsoft. It closed yesterday at $170. If you will buy 10 shares at that price I will give you 20 days to decide whether you want to buy the balance at the same price."

Zahira agreed, and paid Paulson for 10 shares.

Three days later the price of Microsoft went up to $195.

Zahira decided to buy the other 140 shares, but when he called Paulson's office, he learned that Paulson had been killed in an automobile accident just a few moments before he called.

Two weeks later, Zahira notified Paulson's executor of his acceptance.

The executor claims that the offer to sell the remaining 140 shares was ended by Paulson's death. Is he correct? Explain.  (Post is due before 11 PM Friday.)

If either the offeror or offeree dies or becomes mentally incompetent before the offer is accepted, the offer is automatically terminated. In this situation, the offer was for 150 shares and that if Zahira bought 10 shares now he was given 20 days the decide whether he wants the other 140 for the same price. Since Zahira accepted the offer by buying the 10 shares before Paulson died that offer is still valid. The 20 days to buy the other shares was included in the deal that was first presented to Zahira which was accepted by Zahira before Paulson had died. Since, Zahira accepted within those 20 days of the contract period the offer is still valid because that was already part of the contract.

### [Week 2: Question 3](https://learn.dcollege.net/webapps/blackboard/content/launchLink.jsp?course_id=_168015_1&content_id=_5105020_1&mode=view)

In January 2005, J&M, Inc. leased a building to Jiffy Repairs for five years.

The lease provided that Jiffy Repairs could extend the lease for an additional five years if it gave written notice of its intention to do so by sending a certified or registered letter at least six months prior to the expiration of the term of the lease, or no later than August 1, 2009. On July 29, 2009, Meredith Williams, vice president of Jiffy Repairs, prepared a letter exercising the option to renew the lease.

She prepared and sealed an envelope with the letter in it, affixing the proper postage and certified mail sticker on the envelope, and had her secretary deliver the envelope to the Postal Service annex located on the ground floor of the building.

           The letter to J&M, the landlords, was lost in the mail.

The landlords refused to renew the lease.

Do the parties have an agreement to extend the lease for another five years?

Explain fully.

Would your decision change if the lease had instead said that the lease would be extended when J&M received a certified or registered notice of the lease extension at least six months prior to the expiration of the term of the lease?

The mailbox Rule stats, if an offer requires that acceptance be communicated by a specific date and the acceptance is properly dispatched by the offeree on the final date, the acceptance is timely and the contract is formed, even though the offeror receives the acceptance well after the specified date has passed. In this situation, the contract stated that “Jiffy Repairs could extend the lease for an additional five years if it gave written notice of its intention to do so by sending a certified or registered letter at least six months prior to the expiration of the term of the lease, or no later than August 1, 2009. On July 29, 2009. On July 29, 2009, the letter was mailed in a proper timely matter to extend the lease even though the document was lost in the mail the offer is still valid because it was mailed and send properly. Now if the agreement stated that the lease would only be extended when it was received then yes the offer would not be valid even though it was mailed out properly because the agreement was never received.