



# Business/Marketing Virtual Learning

# 10-12 grade Business Law

**April 22, 2020**



Lesson: [April 22, 2020]

**Objective/Learning Target:**

Analyze the Requirements of an Effective Acceptance and Determine at what Point in Time an Acceptance is Effective

# Let's Get Started

Watch this Video:

[Acceptance of an Offer](#)



# Requirements of an Acceptance

**Acceptance** occurs when a party to whom an offer has been made agrees to the proposal. To create an enforceable contract, the **acceptance must** meet the following three requirements:

- 1) **Come from the person or persons to whom the offer was made** - An offer made to one person cannot be accepted by another. Sometimes, however, an offer is made to a particular group or to the public and not to an individual. For example, a reward offer may be made to the general public. Any member of the general public who knows of the offer may accept it. This is typically done by performing the action required by the offeror, such as finding and returning a lost article.
- 2) **Match the terms in the offer** - The mirror image rule requires that the **acceptance must exactly match the terms contained in the offer**. This is true even as to when and how the acceptance must be made. If the attempted acceptance is not identical to the offer, it is a counteroffer.

# Requirements of an Acceptance (continued)

- 3) **Must Be Communicated to the Offeror** - An acceptance must be more than a mental decision. It must be communicated to the offeror.
- a) **Silence as Acceptance** - One is not obligated to reply to offers made by others. An offeror's attempt to word the offer so that silence would appear to be an acceptance will not work.
  - b) **Promises as Acceptance** - Most offers can be accepted by giving a promise instead of performing the contracted-for act. Bilateral contracts are formed by the mutual exchange of legally binding promises between the offeror and offeree.
  - c) **Performance as Acceptance** - In unilateral contracts, an offeror requires that the offeree indicate acceptance by performing an action specified in the offer.
  - d) **Modes of Contractual Communication** - Contractual communications such as offers, acceptances, rejections, revocations, and counteroffers may generally be communicated in person or by other effective means. These means include by telephone, text messaging, mail, delivery service, e-mail, texting, facsimile (fax) machine, or other methods.
  - e) **When Acceptances Are Effective** - All forms of contractual communications but one take effect only when received. The exception to this is the acceptance, which often is effective when sent. Oral acceptances are effective at the moment the words are spoken directly to the offeror. Acceptances sent by mail generally take effect when mailed. Likewise, an acceptance to an offer through email is effective when the email is sent.

# ACTIVITY #13

Study the situations, answer the questions, and support your answers in your Journal.

- 1) Dan, an entertainer, borrowed a computerized keyboard from his friend, Vince. Dan needed the instrument to use in an upcoming jazz concert tour. When the tour was cancelled half-way through, Dan sent Vince the following message in a letter: “Am stuck in San Jose. Need to sell the keyboard to pay for the trip home. If I don’t hear from you by the 13th of the month, will do so and treat the proceeds of the sale as a loan at 10 percent from you to be repaid within a year.” Vince did not respond by the 13th. Did Vince’s silence indicate he had legally agreed to Dan’s contractual proposal?
- 2) To help pay for housing renovations, Jeanne placed an ad on the bulletin board at the public golf course showing a picture of her prized set of golf clubs, her phone number, and the figure \$2,000. Eve, after seeing the ad, called Jeanne and then drove to her house with \$2,000 in hand. When she presented the \$2,000 to Jeanne, the latter refused it, stating that she had received several calls wanting the clubs for that price, so she was raising it to \$2,500. Can Eve sue and force Jeanne to accept her \$2,000 for the clubs. Why or why not?

# ACTIVITY #13 (continued)

- 3) Jonas wrote to Smith offering to sell 42 acres of farmland at \$5,000 per acre with the purchase price to be paid at the closing. Smith replied, “I accept for the 42 acres, for the \$5,000 per acre, but will pay the purchase price two days after closing.” Is this an acceptance?
- 4) Office Suppliers, Inc., ordered 2,000 reams of 20-lb. paper from Dimension Paper for \$1.75 per ream to be delivered at the Office Suppliers warehouse on or about April 24. Dimension responded that 2,000 reams of 20-lb. paper would be delivered on April 25 at the price of \$1.75 per ream. Office Suppliers made no further response.
  - a) Has a valid contract been formed?
  - b) If so, what are the terms?
  - c) If not, why not?
- 5) Imagine that you tell your brother that you will pay him \$100 if and when he paints your fence. If he promises to do so have you formed a bilateral contract or a unilateral contract with him? Explain your answer.