



Business/Marketing Virtual Learning

10-12 grade Business Law

April 24, 2020



Lesson: [April 24, 2020]

Objective/Learning Target:

Explain How an Offeree Can Ensure an Offer Will Remain Open

Let's Get Started

Review This Page:

[Review of Offer and Acceptance of a Contract](#)



ACTIVITY #15 support your answers in Journals

- 1) Blake offers to sell to Poe a copy of Lord Byron's first edition of poetry for \$22,000 and specifies the acceptance has to be in writing, accompanied by a check for the required amount, and delivered by certified mail. Poe follows the offer's instructions exactly and mails the certified letter at 3 p.m. on April 1. However, at 9 a.m. on April 1, Blake accepted an offer of \$30,000 for the edition. He then mailed a revocation of his offer to Poe at 1 p.m. the same day. The revocation arrived at Poe's address at noon on April 1. Which contract will be upheld by the courts?
- 2) On December 23, the First National Bank had its sales agent, Wyman, mail a written offer to Zeller to sell a parcel of real property for \$240,000. On January 10, Zeller had his purchasing agent mail a written offer to buy the property for \$230,000. The same counteroffer was made in a telephone conversation on that day to Wyman, but Wyman told Zeller's agent that the offer to sell the land was no longer in effect. When Zeller's agent reported this news to Zeller, he promptly told his agent to wire an acceptance of the original offer at \$240,000. Zeller's agent did as ordered and the telegram of acceptance arrived before the letter containing Zeller's counteroffer. The bank refused to sell, reminding Zeller that the offer to sell had been revoked and that its agent Wyman had so informed Zeller's agent in the telephone conversation on January 10. Nevertheless, Zeller sued the bank for specific performance and for damages. Who should win? (Zeller v. First National Bank, 79 Ill. App. 3d 170, 398 N.E.2d 148)

- 3) Sam advertised his ski boat for sale, priced at \$4,500, complete with outboard engine and trailer. Barbara paid Sam \$100 for a ten-day option, the money to be applied to the purchase price if she exercised her right to buy. Two days later, Sam was killed. Is Barbara's option still valid?
- 4) For several months Lambi repeatedly made offers to Atkins to buy his Santa Fe Apartments. Finally Atkins wrote Lambi a letter containing the following statement: "Here is my suggestion. Clearly \$4.2 million isn't nearly enough. Between your sales fee and my closing cost, I'd be out of pocket \$200,000 which would mean I'd only net \$100,000. After taxes I'd have been better off saving my time and waxing my car. \$4.4 million is better, but again with the owner financing you've suggested, it would take me years to recoup my out-of-pocket expense, let alone realize some cash profit. With that in mind, here is my suggestion: Price: \$4.6 million." Ultimately, Lambi attempted to conclude an agreement with Atkins at \$4.6 million. However, Atkins refused to sell at that price. Lambi then brought suit to enforce the transaction. Was there a binding contract? (Lambi v. Atkins, 130 S.W.3d 607)
- 5) A brokerage sued its customers to recover for the purchase price of certain uranium stock. The brokerage contends it was directed to buy the stock "as close to two cents as possible," while the customers contend the price was to be two cents per share. Pursuant to the order, the brokerage purchased the stock and several days thereafter sent a confirmation listing purchase of the stock at two and one-eighth cents per share. The trial court found the order to buy was given at two cents per share which plaintiff executed by purchasing the stock at two and one-eighth cents per share. Is there an enforceable contract? (Baldwin v. Peters, Writer & Christensen, 41 Colo. 529)