

Lesson Plan —Termination of Offers

Course Title: Business Law

Session Title: Termination of Offers

Performance Objective:

- Upon completion of this lesson, the student will be able to explain termination of offers.

Specific Objectives:

- Students will describe the various ways to end offers.
- Students will explain how an offeree can ensure an offer will remain open.

Preparation

TEKS Correlations:

This lesson, as published, correlates to the following TEKS. Any changes/alterations to the activities may result in the elimination of any or all of the TEKS listed.

- **120.45(c)(2)(A)**
...explain the elements of legal contracts and negotiable instruments; for example, stocks, bonds, checks, and bills of sale.
- **120.45(c)(6)(H)**
...explain the elements of legal contracts and negotiable instruments.
- **120.45(c)(6)(G)**
...explain the facts of a contract dispute.

Interdisciplinary Correlations:

English:

110.42(b)(6)(A) – Vocabulary Development

...expand vocabulary through wide reading, listening, and discussing.

110.42(b)(6)(B) – Vocabulary Development

...rely on context to determine meanings of words and phrases such as figurative language, idioms, multiple meaning words, and technical vocabulary.

110.42(b)(7)(F) – Reading/comprehension

...identify main ideas and their supporting details.

110.42(b)(7)(G) – Reading/comprehension

...summarize texts.

110.42(b)(7)(J) – Reading/comprehension

...read silently with comprehension for a sustained period of time.

Economics:

118.2(c)(8)(B) – Economics

...analyze how financial institutions affect households and businesses.

Accommodations for Learning Differences:

[Lesson Plan/Curriculum Modifications Checklist](#)

[Guidelines and Procedures for Adapting Instructional Materials](#)

Instructor Format for Curriculum Customization for Learning Differences
Sample Curriculum Customization for Learning Differences

Teacher Preparation:

References:

1. Law for Business and Personal Use, Eighteenth Edition, John E. Adamson, Southwestern Cengage Learning
2. USA Today and local newspapers.
3. Television Network Newscasts and the Internet
4. uen.org (State of Utah Business Law Curriculum)

Instructional Aids:

1. "Termination of Offers" PowerPoint Presentation
2. Internet
3. "Case Study" Assignment
4. "Creating Cases" Assignment
5. Rubric for "Creating Cases" Assignment

Materials Needed:

1. Construction paper
2. Scissors and glue
3. Poster board

Equipment Needed:

1. Computers for students to complete projects
2. Projector for PPT

Learner Preparation:

1. Ask students to research college football coach's contracts. What could be reasons for termination of the offers made to the college football coaches?
2. Survey the class to determine how many students have been offered a job and have a deadline to respond to the offer. Then explain how time was the element that determined the termination of the offer.

Lesson Plan

Introduction (LSI Quadrant I):

1. A store has a one-day sale, offering 50% off prices that have already been marked down. Explain how the store has set a definite timeline for termination of the offer.
2. Introduce Option: Ask students to explain how leasing a car is different than buying a car. Then explain how most automobile leases have the option to purchase the car at the end of the lease.
3. Survey students to determine how many think they will rent an apartment, dorm room, or house in their future. Then explain why it is so important to read the terms of the contract to determine if there is an opportunity to terminate an offer.



Important Terms for this Lesson:


- counteroffer - a change the offeree makes to the offerer's terms
- option - a binding contract in which the offeree gives the offerer something of value in return for a promise to keep the offer open
- firm offer - a contractual proposal in writing by a merchant stating how long the offer is to stay open
- revocation - the right to withdraw an offer before it is accepted

Outline










Outline (LSI Quadrant II):

Instructors can use the PowerPoint presentation, slides, handouts, current events, the Internet, and note pages in conjunction with the following outline.

MI	Outline	Notes to Instructor
 	<p>I. How Can Offers Be Ended?</p> <p>A. Revocation by the Offeror</p> <ol style="list-style-type: none"> 1. before the offer is accepted by the offeree 2. revocation - right to withdraw an offer before it is accepted <p>B. Time Stated in the Offer</p> <p>C. Reasonable Length of Time</p> <p>D. Rejection by the Offeree</p> <p>E. Counteroffer</p> <p>F. Death or Insanity of Either the Offeror or Offeree</p> <p>G. Destruction of the Specific Subject Matter</p>	<p>A Offers can be revoked by the offeror if they do it before the offeree accepts the offer.</p> <p>B If an offer is open for three months, the offer no longer exists after the three months are over.</p> <p>E A counteroffer ends the original offer.</p> <p>F Death or insanity of either party obviously ends an offer.</p> <p>G If you offer to sell a car to someone and the car is destroyed in a wreck before you close the deal then the offer is officially ended.</p>
	<p>II. How Can an Offer Be Kept Open?</p> <p>A. Options</p>	<p>A If you pay a</p>

	<ol style="list-style-type: none"> 1. offeree gives the offeror something of value in return for a promise to keep the offer open 2. offer may not be withdrawn during the period of the option <p>B. Firm Offers</p> <ol style="list-style-type: none"> 1. term stating how long the offer is to stay open 2. Uniform Commercial Code (UCC) makes firm offers binding for the time stated, but not more than three months 	<p>home builder \$3,000 for a new home lot, their offer must remain active. The \$3,000 is an option.</p> <p>B Binding offers are open for no more than three months. When a friend makes an offer to you in August, it is too late for you to accept the offer in December unless the terms of the offer stated that it was available until December.</p>
---	--	--

Copy and paste Multiple Intelligences Graphic in appropriate place in left column.

								
Verbal Linguistic	Logical Mathematical	Visual Spatial	Musical Rhythmic	Bodily Kinesthetic	Intra-personal	Inter-personal	Naturalist	Existentialist

Application

Guided Practice (LSI Quadrant III): Using the PowerPoint presentation, the teacher will explain the termination of offers. Ask students why it is a good idea to state a time available for acceptance when making an offer. To avoid misunderstanding, a time period should be stated for an offer. Give students an example of an offer and the termination of the offer. A family that has been relocated is shopping for a home. The realtor advertised a home for \$325,000. The family offered \$295,000 for the home. This offer was terminated when it was rejected by the seller.

Independent Practice (LSI Quadrant III):

1. **Case Study #1:** Ask students to respond to the following court case: Jennifer mailed a written offer and a deposit to Delaney for a piece of property Delaney

owned that Jennifer wanted to buy. In her written offer, Jennifer stipulated that her offer would expire on February 4, at which time Delaney was to return the deposit if Delaney had not accepted Jennifer's offer. When Delaney received the offer, she made several changes to it, including extending the acceptance date until February 14. Jennifer received the counteroffer before the 14th but did not sign the contract until February 18. She returned the contract to Delaney on February 19. On February 14, when Delaney had not received an acceptance from Jennifer, Delaney considered the negotiations terminated and sold the property to someone else. Jennifer sued claiming breach of contract. Does Jennifer have a correct claim? Explain your answer.

Case #1 Answer: Jennifer's claim is not correct. When Delaney changed Jennifer's original offer, the effect was to reject Jennifer's offer, and this terminated the offer. Delaney's changes acted as a counteroffer to Jennifer's original offer, making Delaney now the offeror, and Jennifer the offeree. Under Delaney's offer, the deadline for acceptance was February 14. When Jennifer did not reply by then, the offer was terminated by lapse of a stated time for acceptance. There was no contract between the parties and Delaney could rightfully sell the property to another buyer.

Case Study #2: Jason is a wholesaler who sells large shipments of plants to large home improvement stores and nurseries. On April 1 Jason makes an offer to sell five truckloads of bedding plants to Plants R Us at a fixed price. Jason submits a firm offer to Plants R Us that is in effect for two weeks. On April 6 a national trucker's union goes on strike and Jason learns that the market price of the toys has risen sharply. Is Jason required to keep the offer open? Explain your answer.

Case #2 Answer: Jason is legally bound by his offer if Plants R Us accepts the offer any time before the stated two weeks is up.

- 2. Creating Cases:** Split the class into teams with two members. Each team must write two case studies similar to the cases in assignment #1. Each case must include pertinent details about offer, acceptance, and possible termination of offer. The cases will be exchanged in class to review key concepts. Each team must supply answer keys for their case studies to the teacher.

Summary

Review (LSI Quadrants I and IV):

Q: How can offers be terminated?

A: Offers can be terminated for the following reasons: revocation, time stated in offer elapses, reasonable length of time elapses, rejection, counteroffer, death or insanity, destruction of specific subject matter.

Q: How could an offeror insure that an offer will stay open for a set period of time?

A: An offeree who is a merchant will be assured that an offer stays open for the time indicated in writing or the offeree can buy an option to keep the offer open.

Q: What happens to an offer that the offeree clearly rejects?

A: The offer is terminated.

Q: What is a counteroffer?

A: A counteroffer occurs when an offeree changes the offeror's terms in important ways.

YOU'RE COVERED?

The Smiths' daughter is deceased. When their daughter was in college, she purchased a life insurance policy valued at \$5,000, which was offered for free by the alumni association for nine months. The policy gave the option of continuing as a \$25,000 policy after the initial coverage for an amount that would be determined at a later date. Acceptance of the additional coverage was to be done by paying the premium. The daughter accepted the additional coverage by paying the premium. Shortly before the policy expired, the daughter received a letter offering her the additional coverage and stating the amount of the premium. The daughter was injured in a serious automobile accident before receiving the letter and died after several weeks without regaining consciousness. Her lawyer later returned the premium, and the Smiths' then filed for the \$25,000. The insurance company refused to pay. Can the parents recover from the insurance company?

Answer: No, the parents do not recover from the insurance company. The offer to extend the life insurance policy past the nine-month period was not accepted by the student before her death and death terminates an offer. No binding contract was formed since she was not aware of the premium for the larger amount of coverage and was not able to take the necessary action.

Evaluation

Informal Assessment (LSI Quadrant III):

1. Instructor will observe students during Independent Practice.
2. Instructor will assist students as needed

Formal Assessment (LSI Quadrant III, IV):

Independent Practice Assignment #1 will be evaluated for the correct answer to the legal case. Use the assigned rubric to evaluate project #2 assigned for Independent Practice (LSI Quadrant III)

Extension/Enrichment (LSI Quadrant IV):

1. An offer can be terminated in a variety of ways. Interview a contract lawyer or individuals who frequently enter into contracts as part of their career. Ask them to give examples of contracts that were terminated. Then classify the examples as revocation by the offerer, time stated in the offer, reasonable length of time, rejection by the offeree, counteroffer, or death and insanity of either the offerer or offeree.
2. Pictionary: Play Pictionary using the legal terms learned in this lesson. Split the class into two teams. Each team sends a member to the board to draw pictures representing the legal term shared by the teacher. The first team that has a member who stands and gives the correct answer, earns the point. Then teams will continue to rotate new drawers for additional terms. Terms to include in this game include: revocation, terminated, counteroffer, option, firm offer, Uniform Commercial Code, insanity, capacity, and offer.

Business Law - Termination of Offers Independent Practice Assignment #1 Case Study Assignment

Student Name _____

Case Study #1: Jennifer mailed a written offer and a deposit to Delaney for a piece of property Delaney owned that Jennifer wanted to buy. In her written offer, Jennifer stipulated that her offer would expire on February 4, at which time Delaney was to return the deposit if Delaney had not accepted Jennifer's offer. When Delaney received the offer, she made several changes to it, including extending the acceptance date until February 14. Jennifer received the counteroffer before the 14th but did not sign the contract until February 18. She returned the contract to Delaney on February 19. On February 14, when Delaney had not received an acceptance from Jennifer, Delaney considered the negotiations terminated and sold the property to someone else. Jennifer sued claiming breach of contract. Does Jennifer have a correct claim? Explain your answer.

Case Study #2: Jason is a wholesaler who sells large shipments of plants to large home improvement stores and nurseries. On April 1 Jason makes an offer to sell five truckloads of bedding plants to Plants R Us at a fixed price. Jason submits a firm offer to Plants R Us that is in effect for two weeks. On April 6 a national trucker's union goes on strike and Jason learns that the market price of the toys has risen sharply. Is Jason required to keep the offer open? Explain your answer.

**Business Law - Termination of Offers
Independent Practice Assignment #2
Creating Cases Assignment**

Student Name _____

Student Name _____

Now that you have answered two case studies involving termination of an offer, your team must write two case studies similar to the cases in assignment #1. Each case must include pertinent details about offer, acceptance, and possible termination of offer. The cases will be exchanged in class to review key concepts. Your team must supply answers keys for their case studies to the teacher.

Writing Business Law Cases

Business Law - Termination of Offers Independent Practice Assignment #2 Rubric

Student Name: _____

CATEGORY	20	15	10	5 or less
Focus on Assigned Topic	The entire case is related to the assigned topic and allows the reader to understand much more about the topic.	Most of the case is related to the assigned topic. The story wanders off at one point, but the reader can still learn something about the topic.	Some of the case is related to the assigned topic, but a reader does not learn much about the topic.	No attempt has been made to relate the case to the assigned topic.
Organization	The case is very well organized. One idea or scene follows another in a logical sequence with clear transitions.	The case is pretty well organized. One idea or scene may seem out of place. Clear transitions are used.	The case is a little hard to follow. The transitions are sometimes not clear.	Ideas and scenes seem to be randomly arranged.
Accuracy of Facts	All facts presented in the story are accurate.	Almost all facts presented in the story are accurate.	Most facts presented in the story are accurate (at least 70%).	There are several factual errors in the story.
Creativity	The case contains many creative details and/or descriptions that contribute to the reader's enjoyment. The author has really used his imagination.	The case contains a few creative details and/or descriptions that contribute to the reader's enjoyment. The author has used his imagination.	The case contains a few creative details and/or descriptions, but they distract from the story. The author has tried to use his imagination.	There is little evidence of creativity in the case. The author does not seem to have used much imagination.
Writing Process	Student devotes a lot of time and effort to the writing process (prewriting, drafting, reviewing, and editing). Works hard to make the story wonderful.	Student devotes sufficient time and effort to the writing process (prewriting, drafting, reviewing, and editing). Works and gets the job done.	Student devotes some time and effort to the writing process but was not very thorough. Does enough to get by.	Student devotes little time and effort to the writing process. Doesn't seem to care.

Total Score _____
Maximum 100 Points