

> collocations with contract

> expressions used in a contract

> types of unethical behaviour



8.2 Vocabulary Contracts and transactions

Brainstorming

1 In what circumstances might you do the following? Give examples.

amend a contract award a contract break a contract cancel a contract
draft a contract negotiate a contract renege on a contract sign a contract

Defining words

2 Read part of the contract between Calisto Instruments and JZ Music to supply 500 tenor saxophones for the Christmas market. Find expressions that mean:

- | | |
|--------------------------|-------------------------|
| 1 accepted | 6 pay the bill |
| 2 in this document | 7 considered as |
| 3 promises | 8 for whatever reason |
| 4 not later than | 9 inform |
| 5 later in this document | 10 impossible to change |

this agreement, made and entered into this fourth day of June by and between Calisto Instruments, the Seller, and JZ Music Ltd, the Buyer:

- The seller hereby undertakes to transfer and deliver to the buyer on or before 1 November, the goods as specified hereinafter.
- The buyer hereby undertakes to accept the goods and pay for them in accordance with the terms of the contract.
- The buyer shall make payment within 30 days of reception of the goods.
- Goods shall be deemed received by the buyer when received by him at the port of Southampton.
- The risk of loss from any damage to the goods regardless of the cause thereof shall be on the seller until the goods have been accepted by the buyer.
- The buyer shall have the right to examine the goods on arrival, and he must give notice to the seller of any claim for damages within seven business days after such delivery. The failure of the buyer to comply with these rules shall constitute irrevocable acceptance of the goods.

3 Complete the second extract from the contract with the expressions from Exercise 2.

- The seller (1) _____ (2) _____ to provide maintenance and repair for one calendar year. The buyer shall be required to (3) _____ to the seller of any request for repair. On expiry of the warranty, an extension agreement may be (4) _____: the buyer shall (5) _____ of the annual fee before any repair work can be undertaken, (6) _____. Signature of the warranty extension shall constitute (7) _____ acceptance of the terms and conditions (8) _____ specified. Warranties not renewed (9) _____ 1 April shall be (10) _____ lapsed.

4 Choose the correct words to complete the paragraph about litigation.

A legally (1) *holding / binding / sticking* contract is one which can be (2) *obliged / inflicted / enforced* by the legal system. Many contracts include a (3) *penalty / punishment / price* clause which (4) *concerns / applies / effects* if deadlines are not met. A company which fails to respect its commitments can be (5) *charged / processed / sued* for (6) *violation / breach / breaking* of contract. However, in some cases the two (7) *participants / parties / factions* can avoid the expense of litigation by agreeing an out-of-court (8) *settlement / agreement / conclusion*. If the case (9) *moves / goes / takes* to court, the loser may be ordered to pay millions in (10) *payments / damages / expenses*.

Discussion

5 Calisto and JZ Music have now signed the contract. Discuss what will happen if:

- Calisto deliver on 1 December.
- Calisto deliver 500 alto saxophones instead of 500 tenor saxophones.
- Calisto send JZ Music an invoice on 1 September.
- the saxophones are delivered to Portsmouth.
- some of the saxophones are damaged during shipping.
- JZ inform Calisto of the damage in January after the Christmas holidays.
- JZ refuse to pay.