Name

Professor name

Subject

Date

Business and management

Question 1

It is important to outline the basic contract law for managing new employees in divisions. The employment contract law will be a written document that will contain contents, mutually understood by the company and the employees. The Texas contract will include following contents;

An offer letter: This will identify the nature of the contract that is permanent or contractual. This will add some degree of assurance for the period when job will end for the employee. The hiring manager of the company will send conditional offer letter to the selected candidates. The letter will include specific details; date of joining job, salary, timings, perks and benefits. The letter is subject to employment at will which indicates that the employee has accepted the offer of the company.

Acceptance: The contract starts when the employee accepts the offer of the company after witnessing the contents carefully. The firm will simply ask the applicant to sign the letter.

Employee handbook: The handbook will provide clear information about company’s SOP’s that employees will need to follow. This will provide them awareness about their responsibilities and limitations. The employees before entering the company will have clear understanding of the their roles and activities that they must avoid.

Consent: The clause in the handbook identifies the consent of the employee which confirms that the conditions are accepted. The employee must follow instructions and work according to the conditions.

Meeting the minds: The contract must mention all elements that makes it valid. It will eliminate all elements of fraud such as by removing ambiguous description, by making it according to the intentions of the parties and avoiding false claims. Fraud can destroy the meeting of minds so the contract must not conceal the terms by using reference case: *T.O. Stanley Boot Co. v. Bank El Paso*, 847 S.W.2d 218 (Texas 1992).

Execution: Employment contract can be executed when the offer is accepted by the employee and the contract becomes valid from that moment. After obtaining the signed consent of the applicant the contract becomes applicable.

Consideration: The contract will include a section of consideration that will identify the benefits for both parties. It also highlights the consequences that each party will suffer on violating the contract.

Question 2

Difference exits between the legal principles applicable to a Texas contract which is governed by Article 2 of the Uniform Commercial Code and a Texas contract which is not subject to the UCC. Article 2 of UCC is focused on dealing with the transactions where sales of goods and services are concerned. Identifiable and moveable items are considered in this article. Services contract is not dealt in Article 2. UCC is not applicable to Texas contract because the later is developed on the principle of ‘Meeting of minds’ or mutual consent between parties. The contract is dependent on the mutual assent between the parties. Texas law is different because it also consider services while UCC Article 2 is focused on sales of goods only. This depicts that Texas law is concerned about the services that is defined by the common law. This also states that the governing state law establishes the contract. The contract is also decided on the basis of past decision of the court. The parties establish the governing state law which makes Article 2 inapplicable. The major difference between the two is that UCC does not apply to the services while Texas contract is also concerned about services and employment.