

Home Assignment Question # 2

Lynx Cars Ltd, the manufacturers of a revolutionary fuel-efficient small car, enter into a five-year dealership agreement with Roadstar Ltd, a northern-based firm of car dealers, in November 1994. A clause in the agreement states: "This agreement is not intended to be legally binding but the parties honourably pledge that they will carry out its terms." Roadstar Ltd place an initial order for 2000 cars to be delivered by the end of 1995, which is accepted by the manufacturers. One month after the successful launch of the car at the motor show, Lynx cars Ltd write to Roadstar Ltd informing them that, owing to production difficulties, they estimate that they will be able to deliver only 200 cars by the end of 1995. They further state that they will be withdrawing from the dealership agreement from the end of 1995 so that they can concentrate their resources on their south of England car dealers.

ADVISE ROADSTAR LTD

You Can Submit the Answer following any one of the following options:

1. By E-Mail at online@ftcollege.com
2. By Postal Mail at **FTOnline** - C-133, Block-9, Gulshan-e-Iqbal, Karachi-75300, Pakistan
3. By Fax at 92 021 4810843

The Marked Paper shall be returned to you at your mailing address, e-mail or fax number within 7 working days.