ASITA OBONISO

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MECHATRONICS ENGINEERING

ENGINEERING LAW AND MANAGERIAL ECONOMICS

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TEST 2

Two scenario where force majeure clauses can be applicable to contract in your discipline.

ANSWER

Force majeure is a common-law doctrine or principle broadly applicable in the commercial context that excuses contractual performance when an extraordinary event or circumstance beyond the control of the parties intervenes to prevent performance. Force majeure excuses non-performance for the duration of the force majeure event. It does not void or vitiate the contract.

Scene A: **An engineering** firm has entered into a contract with a venue to put a conference. The state where the venue is located orders the venue to close as part of a mandatory general quarantine order. It is now legally impossible for the venue to fulfil its obligations under the contract. Almost any standard of force majeure clause will excuse the venue from hosting the conference.

Scene B: An engineering company has entered into a contract with a venue to put on a seminar for aspiring workers. The venue has a capacity of 1,000 seats. The state where the venue is located orders all venues of 500 seats or more to close for the next 30 days. The seminar is scheduled for 60 days from when the state issues the order. If the force majeure clause in the contract only refers to “government orders,” it may not apply yet given the timing.