

Raw Score _____

Grade _____

Exam# _____

Contracts Fall Term 2005 Grading Form

Question 1 - 75 Points

Paula: Initial agreement had mutual consideration - David builds and I pay, so both of us were bound	6	
Paula: It is true that I asked for a change in design, but the overall size remained the same and there was no agreement about a change in price and there was no consideration because I did not agree to any change in the price. I am pleased that David made the change, but there was no modification of my promise to pay the agreed upon price of building the unit.	10	
David: I made the design changes but I told Paula it would cost more money because I had to redo work that I had already done before she changed the design; even if Paula and I did not agree on a specific change in price, I never would have done the changed work if I had known she wasn't going to pay something extra. If it is not consideration because no specific additional amount was agreed upon, the court should still enforce the modification under RS2d 89a as a fair and equitable change and the court can set the reasonable price.	7	
David: Whether or not we agreed on a price when we modified the agreement, after the work was completed we had reached an accord - each of us gave up on a position we held in good faith and that was the consideration for the accord. Paula owes me the \$1700 we agreed to in the accord.	10	
Paula: There was no consideration for the accord because I never owed David the \$2000 he demanded and so David's agreeing to accept \$1700 when he were supposed to do the job for \$1500 could not be consideration. I didn't even owe David the \$1500 contract price because he didn't complete the work he promised because he failed to countersink the nails.	10	
Paula: David is not entitled to payment of the contract price because he breached the contract. All I owe David is the \$1500 contract price less the \$200 it will cost me to have the unit fixed to look like it was supposed to look. This cost of completion damages are required to meet the principle of expectation damages.	7	
David: Even if I breached the contract, the most Paula can demand is the difference between the value of the unit I delivered and the value it would have had if it had conformed to the contract. Since few people would either notice the nails or think the less of it because of them, it would be economic waste to grant Paula the cost of "repair" damages.	10	
David: Even if the court believes that my breach means I can't demand the contract price, Paula owes me the value of the unit on the theory of restitution measured by the market value of the unit I built.	10	
Miscellaneous:	5	
TOTAL:	75	

Question 2 - 45 Points

Blink: SeeAll breached our contract by not delivering all of the CCDs by July 1 as required by our contract.	8	
Blink: SeeAll owes me direct damages measured by UCC 2-713. The market price on June 30, the day I learned of the breach, was \$50 per CCD. Therefore SeeAll owes us the difference between the contract price, \$25 per CCD, and the market price, \$50 per CCD, for the undelivered CCDs (50,000) or \$1,250,000.	8	
Blink: In addition, SeeAll owes us, under 2-715(2) consequential damages measured by the profit we lost on the 50,000 Minidigis that we couldn't deliver to Digicam.	8	
SeeAll: You could have purchased the CCDs on the market and delivered all 100,000 Minidigis to Digicam and so you are not entitled to any damages under 2-715(2). I also had no basis for foreseeing that you would suffer damages of loss of profits on a sale to Digicam since I had no knowledge of that contract until after our contract was made.	8	
SeeAll: Since Digicam released you from any liability for the other 50,000 cameras, you are not entitled to any compensation to put you in the position you would have been in had the contract been performed - the contract was changed to read 50,000 units so you are not in breach of that contract.	8	
Miscellaneous:	5	
TOTAL:	45	

Comments: