

Raw Score _____

Exam Grade _____

Exam # _____

Grading Form - Contracts Law Section 1 Spring Term 2006**Question 1 - 40 points**

LL: Your advertisement was an offer - it contained all of the terms necessary to buy insurance - insurance coverage and price - and there is no limit on how many people (trips) can be insured so no reason why this ad can not be an offer	4	
LL: My telephone call was an acceptance of the offer - the offer included all inclement weather and so that is our contract; or, my check and completed application were my acceptance of your offer.	4	
LL: I was still insured against any inclement weather which means not sunny; your definition should be interpreted by the court as simply examples of inclement weather	4	
VIC: Advertisements are simply invitations to bid; insurance companies must evaluate the individual risks before we insure and we couldn't do that until after we receive your application for insurance with the detail of your trip	4	
VIC: The application form we sent you made it clear that you were applying for insurance - that was an offer - and we could accept that offer or not - and we did not; our silence is not acceptance	4	
VLC: Even if we made an offer by our advertisement and the form we sent you, your response was a counteroffer because it substituted a guaranty of sunny weather in place of our insurance offer	4	
VIC: Even if we had an insurance contract with you, if you thought that the policy covered more than the identified risks, you were mistaken; not only is that a unilateral mistake, it is a mistake committed in neglect of duty since you didn't read the application form carefully	4	
LL: Even if you are right that my application was my offer, since you originated this whole deal you had an obligation to give me prompt notification that you were rejecting my offer because you would know that I was relying on the policy and you knew exactly when I would be relying on it; when you didn't inform me before my trip that you were rejecting my offer, you accepted it.	4	
LL: If I made a mistake in my belief that all inclement weather was covered by the policy, you induced me to make that mistake by your ad and by the first paragraph of the policy - it didn't even say "as defined below" or something that would alert me to your peculiar limited definition; you should be bound by the ordinary meaning of "inclement weather." You also knew that I was making a mistake from my telephone call and from my letter and did nothing to correct my mistake.	4	
Miscellaneous:	4	
Total Points Question 1	40	

Question 2 - 40 points

SB: In failing to include a reasonable selection of chicken, lamb and veal, Discount breached its obligations under the contract; I can introduce testimony about our conversation because it does not contradict the written contract and the contract doesn't meet the 2-202(b) standard.	4	
DM: Our agreement was complete on its face. It was intended as an exclusive statement of the terms under 2-202(b). Furthermore, any change in our obligations would not be an explanation, it would be a contradiction by adding to what we said we would do without any additional price	4	
SB: Since I could have ordered in one shipment all the meat I was supposed to buy, this is not an installment contract. 2-612(1). Your shipment was a breach. 2-601. You didn't cure. 2-508. So you breached the contract; if it is an installment contract, the breach substantially impaired the value of the shipment so you are in breach and I have not breached by not paying you.	4	
DM: Your behavior shows that you understood that delivery and payment would be by installment, so 2-612 applies. Our shipment did not "impair the value of the whole contract" under 2-612(3) so we can still perform and enforce the contract; you didn't pay for the installment you received and so you have breached the contract. You accepted part of the installment and are in breach by not paying.	4	

DM: You accepted part of the shipment and therefore had to pay for it under the contract and your failure to pay promptly is a breach	4	
SB: You were the breaching party, not I, and so you cannot demand payment on the \$1000 note and I can seek rescission of the contract and return the freezer to you	4	
DM: You were the breacher and our contract clearly stated that your breach made the \$1000 due	4	
SB: That clause is an invalid liquidated damages clause - since it is not at all sensitive to when I breached or the amount of my breach it fails to meet the standards of 2-718(1).	4	
SB: The price of the freezer is unconscionable under 2-302 and the court should strike that price and permit rescission of the contract	4	
Miscellaneous:	4	
Total Points Question 2	40	

Question 3 - 40 points

Bice: Able owed me a duty of good faith bargaining as a result of our signing a letter of intent to continue negotiations	4	
Bice: Able breached that duty of good faith by discussing a deal with Clark before our discussions terminated	4	
Able: there was no consideration for my refraining from discussing sale of my business to someone else; you did not agree to do anything in exchange for my statement of intent	4	
Able: even if I owed a duty of good faith, I was justified in stopping talking with you about the sale after you breached your duty of good faith by refusing to discuss with me the issue of my continuing association with the company after your purchase.	4	
Bice: even if there was no consideration initially, I detrimentally relied (\$90) upon your promise and therefore it became enforceable, at least it created a good faith obligation which you breached	4	
Bice: even if I should have discussed with you the question of your continuing with my company after our purchase, that did not justify your talking with Clark about sale to his company	4	
Able: there is no reliance which requires enforcement under 90	4	
Able: I informed you our conversations were over right after Clark made his offer - that was consistent with any obligation of good faith that I owed to you.	4	
Remedy: Bice is apparently seeking equitable relief - he will argue that is the only meaningful remedy; Able will argue that monetary damages are speculative and that no court should require people to enter into a business relationship which they don't want to have	4	
Miscellaneous:	4	
Total Points Question 3	40	