

LESSON 8—1 QUIZ

Legal Concepts

Directions: In the Answers column, write the letter from Column 1 that represents the word or phrase that matches the statement in Column 2.

<i>Column 1</i>	<i>Column 2</i>	Answers
A. forbearance	1. A person who receives a gift	1. _____
B. consideration	2. A promise not to do something	2. _____
C. promisee	3. A person who promises an action or forbearance	3. _____
D. exchange of two benefits	4. A token amount of money given as consideration	4. _____
E. donor	5. A legal concept that distinguishes between social promises and serious transactions	5. _____
F. nominal consideration	6. A change in a party's legal position as a result of a contract	6. _____
G. promisor	7. A transfer of ownership without receiving anything in return	7. _____
H. legal value	8. A person to whom a promise is made	8. _____
I. donee	9. The most common form of legal value	9. _____
J. gift	10. A person who gives a gift	10. _____

Legal Applications

11. The Cromikas are going on a cruise for their fiftieth wedding anniversary. They live near a college campus where Craig attends classes. Mr. Cromika asks Craig if he will stay in their home for the two months they will be away. Craig accepts the offer in order to save the two months' board he would have paid to the college. Is there consideration for both parties? Is the contract enforceable? Explain your answer.
12. Your neighbor owns an antique car, but he no longer has room to store it. You know the car would be worth \$30,000 if it were restored. You offer to give your neighbor \$1,500 for the car. Is this a valid contract? Explain your answer.

LESSON 8—1 RETEACH

Directions: Write the answers to Questions 1–14 on the blanks provided. The answer to Question 15 should appear in the vertical boxes.

	15.	
1.	□	
2.	□	
3.	□	
4.	□	
5.	□	
6.	□	
7.	□	
8.	□	
9.	□	
10.	□	
11.	□	
12.	□	
13.	□	
14.	□	

1. Change in a party's legal position
2. Consideration can be conferred by giving a benefit or incurring a(n) _____.
3. Payment offered in full settlement by the debtor and accepted by the creditor to settle a disputed claim is a(n) _____ and satisfaction.
4. Person who receives a gift
5. Type of consideration that involves a token amount of money
6. Person to whom a promise is made
7. Person to whom a debt is owed
8. Transfer of ownership without receiving anything in return
9. An agreement to buy all of the producer's production is a(n) _____ contract.
10. Person who gives a gift
11. Distinguishing factor between social promises and real transactions
12. Promise not to do something
13. Clause in a contract that allows you to escape the legal obligation
14. Something for which a detriment can be exchanged
15. Contract wherein the consideration is grossly inadequate so as to shock the conscience of the court

✍ LESSON 8—2 QUIZ

Legal Concepts

Directions: Write Yes or No in the Answers column to indicate the correct answer.

	Answers
1. If a promise is given for consideration, will it be binding?	1. _____
2. If a contract contains a termination clause for any reason, is the promise to perform illusory?	2. _____
3. If a contract clause allows termination only after a change in defined circumstances, is the promise illusory?	3. _____
4. Does an output contract require a seller to supply all the needs of a particular buyer?	4. _____
5. Can a party terminate a requirements contract by stopping production?	5. _____
6. Does existing public duty limit public officials in their promise making?	6. _____
7. Can a person under contract sign another contract that offers more money and benefits?	7. _____
8. Can a debtor settle a claim by paying less than the full amount and promising additional consideration?	8. _____
9. Is the payment of money sufficient consideration for the promise not to sue?	9. _____
10. Does the debtor have to agree not to file for bankruptcy in a composition of creditors?	10. _____
11. If two gifts have legal value, are they consideration when they are promised?	11. _____
12. Can an act that has already been performed serve as consideration?	12. _____

Legal Application

13. Mark owes Consuelo \$800, which he is to pay back in six months. Mark cannot pay the full amount, but he can pay Consuelo \$650 right away. If Consuelo accepts the \$650 in satisfaction of the debt Mark owes to him, is there valid consideration for both parties? Why or why not?

✍ LESSON 8—2 RETEACH

Directions: Unscramble the letters following each question and write the answer in the blank provided. Answers may consist of more than one word.

- | | Answers |
|--|----------------|
| 1. What kind of promise is not binding? <i>rsyluiol</i> | 1. _____ |
| 2. What part of a contract allows businesses to withdraw if their circumstances change?
<i>attmenirino seluca</i> | 2. _____ |
| 3. What type of contract requires a buyer to purchase all of a producer's production? <i>tutpou</i> | 3. _____ |
| 4. What type of contract requires a seller to supply all the needs of a buyer? <i>sermteuqiern</i> | 4. _____ |
| 5. What type of debt occurs when the parties agree to the existence and the amount of the debt? <i>dqtiitudale</i> | 5. _____ |
| 6. What type of agreement exists if two parties compromise on the amount of a debt?
<i>dcroca dna tssfcnitoaia</i> | 6. _____ |
| 7. What is a settlement made by parties when the liability is unliquidated? <i>elresae</i> | 7. _____ |
| 8. What is a group of creditors who agree to accept less than what they are entitled to from a debtor? <i>iinocoposmt</i> | 8. _____ |
| 9. What is a person to whom a debt is owed?
<i>dctirero</i> | 9. _____ |
| 10. What implied duty do both parties have under contracts containing termination, output, or requirements clauses? <i>rfa nildeag</i> | 10. _____ |

LESSON 8—3 QUIZ

Legal Concepts

Directions: Place a *T* for True or an *F* for False in the Answers column to show whether each of the following statements is true or false.

	Answers
1. Promises are enforced under the doctrine of promissory estoppel.	1. _____
2. Promises can be enforced if the promisor knew that the promisee would rely on the promise.	2. _____
3. Promises can be enforced even if the promisee does not act in reliance on the promise.	3. _____
4. Promises that involve a minimal economic loss to the promisee are always enforced.	4. _____
5. Most courts will enforce a promise made to a charitable organization even if no specific use for the money is stated.	5. _____
6. The statute of limitations for most states is three years.	6. _____
7. An individual cannot sue for breach of contract or tort when the statute of limitations has passed.	7. _____
8. A promise to leave an offer open is enforceable under common law.	8. _____
9. Merchants are bound by firm offers for up to three months.	9. _____

Legal Applications

10. A local church is planning to expand their sanctuary to accommodate 300 additional people. The cost of the project is \$450,000. You make a pledge of \$20,000 for the project. The church board has notified you that your pledge will be used for the purchase of new pews, which have already been ordered. Would the courts enforce your promise? Explain your answer.
11. Nathan wants to enter a car in the demolition derby at the local fair this year. Nathan's uncle tells him that he will give him \$500 and pay for his expenses in entering the car if he wins first place. Nathan wins the competition, but his uncle refuses to keep his promise. Would the promise to Nathan be enforceable under the doctrine of promissory estoppel? Explain your answer.

LESSON 8—3 RETEACH

Directions: Find and shade in the answer to each question and then write each answer in the answer column. Write the remaining unshaded letters in order from left to right on the line below the table to reveal a statement about promises.

Answers

1. Under what doctrine are promises enforced? 1. _____
2. What type of loss to the promisee requires the promise to be enforced? 2. _____
3. Promises to what type of organizations are enforced if the organization stated a specific use for the contribution? 3. _____
4. What length of time do most states use for a statute of limitations? 4. _____
5. What is a merchant's promise to leave an offer open called? 5. _____
6. What principle specifies a time limit for bringing a lawsuit? 6. _____
7. Under what type of law is consideration necessary for modifying a contract? 7. _____
8. Under the UCC, what length of time must merchants leave offers open? 8. _____
9. What must charitable organizations specifically state in order for courts to enforce the pledge? 9. _____

C	O	A	U	S	E	F	O	R	T	H	E	M
O	N	E	Y	U	R	E	C	O	N	O	M	I
C	T	S	C	S	T	A	T	U	T	E	O	F
L	I	M	I	T	A	T	I	O	N	S	A	N
E	N	F	O	T	H	R	E	E	M	O	N	T
H	S	R	C	E	P	C	H	A	R	I	T	A
B	L	E	R	O	M	I	S	F	I	R	M	O
F	F	E	R	E	S	O	P	T	I	O	N	C
O	N	T	R	A	C	T	T	O	C	H	A	R
C	O	M	M	O	N	I	T	H	R	E	E	Y
E	A	R	S	T	I	E	P	R	O	M	I	S
S	O	R	Y	E	S	T	O	P	P	E	L	S