

Contracts
Professor Sidel

Practice Exam

November 19, 2002

Instructions

This practice exam lasts one hour and is open book. Do not put your name on either the bluebook or this text. I will look at the answers (without grading or evaluating them), and then talk briefly about the practice exam next week. I will be pleased to talk at greater length about the practice exam in office hours at any point. If you don't have time to write the entire answer to the essay question, try to outline the answer.

Short answers

Define and explain the significance of the following terms in contract law as fully as possible in six written lines or less:

1. Advertisements
2. Termination of the power of acceptance
3. Silence as acceptance
4. Consideration
5. "I do hereby agree to sell to W.O. Lucy the Ferguson Farm for \$50,000 complete."

Essay question

Saikia and Baldus are negotiating the sale of a piece of property by Saikia to Baldus. The parcel and others nearby may be useful for commercial mall development.

Baldus offers to buy the property from Saikia for \$5,000 in a conversation on July 20. Saikia leaves abruptly for another appointment after another half hour of conversation, without having responded to Baldus, and as he leaves Baldus says annoyedly, "I really need to know as soon as possible." On July 21, Saikia calls Baldus and leaves a message, saying, "I unequivocally accept your offer, but I'd like you to pay \$7,500. I'd really appreciate it if you not take down the tree at the far corner of the lot, where I used to sit with my friends. It won't impact your use anyway. Look forward to hearing from you as soon as possible."

Baldus receives the message on the evening of July 21 while out of town. On the morning of October 4, another buyer offers to buy the property at \$8,500, providing that Saikia also releases him from a debt of \$2,500 that he owes Saikia. Saikia immediately accepts on the phone, following with a letter of acceptance that is countersigned by the second buyer and returned to Saikia the same day. On July 24, Baldus mails a letter to Saikia (by express mail) indicating that the price of \$7,500 is fine and formally agreeing to purchase the land, and indicating that he will probably have to pull down the tree for new construction.

Baldus comes to you and asks, "Do I have an enforceable agreement to buy this land? With whom if anyone?"