

**Graduate Contracts Final**

Spring 2010

Professor Dickinson

This is the examination for the spring 2010 Graduate Programs course in common law contracts. This examination consists of two parts (I, II) each consisting of a single statement of facts followed by a single question calling for the examinee's response. You are to consider the question presented, formulate a response to the question propounded and then record your response. These are the rules:

- 1) You will have three hours within which to consider and record your responses unless the Dean's office has established a different time period.
- 2) If you choose to write your response you must do so in ink on the right hand page only of the examination books provided. Whether you write or type via EBB be sure to designate each response by the part and number of the question you are addressing in your response. Put your examination on the cover of each examination book you choose to submit or on the top of the first page of your typed response if you choose to type.
- 3) You cannot have any materials with you during the examination except for pens, the scratch paper provided and, if you choose, a single purpose English-first language (not including English) dictionary.
- 4) Please take the time to be deliberate in considering your response. Impulsive not fully considered responses will not successfully address the problems this examination presents for your solution.

**Part I**

Kate Wage Slave worked as a bookkeeper in an office. One day her grandfather visited her at her office and when leaving said to her: "I have fixed out something so that you have not got to work anymore. None of my grandchildren work and you do not have to." Kate's grandfather then gave her a promissory note (a check) for \$20,000 and Kate immediately quit her bookkeeping job. More than one year later Kate found and took another job. Her grandfather died without paying the note. Kate brought an action to enforce the note against grandfather's estate claiming a right to the money (\$20,000) specified in the note.

- 1) Does Kate have a right to the money as she claims? If so, explain why. If not so, explain why it is not so.

## Part II

John Buyer agreed with Paul Seller to buy a tract of Paul's land for a total price of \$100,000.00. The written agreement signed by both John and Paul specified that the price was to be paid in installments of \$10,000.00 paid each month, for ten months and until the entire purchase price was paid Paul would continue to have possession of the land.

John made six monthly payments before losing interest in the purchase and failing to make any more monthly payments. After experiencing two months without receiving a payment from John, Paul sought out and found another buyer (Bob) for the land who was willing to pay \$90,000.00 for the land. Paul made an earnest good faith effort to find another buyer who would pay more. Paul did not find such a buyer. Paul then contracted to sell the land to Bob. Bob paid and took possession. Because of John's breach Paul has refused John's demand that Paul return to John the \$60,000.00 paid by John to Paul.

- 1) Can John compel Paul to return the payments John made on the contract John breached? If yes, explain why. If no, explain why not.

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END of Eamination