

CDAE 157/BADM 230
Sample Exam Questions

A. Multiple Choice (one point each)

1. Which of the following is **NOT TRUE** about the common law?
 - a. it is also known as case law
 - b. it was adopted from England
 - c. it is passed by state legislatures
 - d. summaries of common law rules are found in Restatements

2. Early common law rules were not consumer friendly because
 - a. many rules developed during the middle ages when there was equality of bargaining power
 - b. many rules developed during the industrial revolution, when public policy favored protection of business over consumers
 - c. both of the above are true
 - d. none of the above are true; early common law rules were consumer friendly

3. In the *44 Liquormart* case, the U.S. Supreme Court held Rhode Island's statute prohibiting price advertising for liquor was unconstitutional because
 - a. it found that promoting temperance was not a legitimate state interest
 - b. the State failed to prove a connection between price advertising and consumption
 - c. both of the above are true
 - d. none of the above are true; the Court upheld the statute

4. The differences between civil and criminal law include
 - a. to whom the duty is owed
 - b. penalty for breach of the duty
 - c. who pursues the case
 - d. all of the above are differences

5. Bert says to his friend Ernie "I'm thinking about selling my house for \$500,000. Ernie says "I'll buy it." The following day Bert sells his house to Kermit. If Ernie sues Bert for breach of contract, claiming they had a binding contract,
 - a. Bert will win because there was no offer for Ernie to accept
 - b. Bert will win because the contract was voidable
 - c. Ernie will win because there was a bilateral contract
 - d. Ernie will win because there was a unilateral contract

6. Sam offers to sell his bar to Diane for \$1 million. He asks for \$500,000 down and the balance in full in six months. Diane agrees to the purchase price but with \$250,000 down and the remainder in equal quarterly installments of \$250,000. Sam revokes his offer and sells the bar to Norm. If Diane sues Sam for breach of contract, she will

- a. win because the contract is unconscionable
- b. win because she accepted before Sam revoked
- c. lose because her counter-offer terminated Sam's offer
- d. lose because she offered no consideration

7. Fred offers to sell his used, repainted Honda motorcycle to Ricky for \$1,000. Ricky accepts. While cleaning the motorcycle to get it ready to deliver to Ricky, Fred discovers that it's actually a Harley Davidson worth substantially more. Neither Fred nor Ricky was aware it was a Harley. Fred refuses to sell it to Ricky for \$1,000 because he can get more for it. If Ricky sues Fred for breach of contract, he will most likely

- a. win because the mistake was unilateral
- b. lose because the mistake was unilateral
- c. win because the mistake was mutual
- d. lose because the mistake was mutual

8. Same facts as above. If Ricky wins, he is likely to recover

- a. compensatory damages
- b. punitive damages
- c. specific performance
- d. all of the above

9. A 'quasi contract' is

- a. the same as an express contract
- b. the same as an implied-in-fact contract
- c. the same as a unilateral contract
- d. not a contract at all, but a legal fiction established to avoid an unjust result

10. Laverne draws her gun, points it at Shirley, and pulls the trigger. Shirley sees the gun being pointed and ducks behind a tree as the bullet whizzes by, just missing her. Laverne has committed the intentional tort of

- a. assault
- b. battery
- c. both assault and battery
- d. negligence

11. Christopher is looking forward to a night out with his buddies, but his mood is dampened when he sees that Tony, the driver, is obviously intoxicated. And he's less happy when he sees a shotgun on the floor. But he doesn't want to look like a wimp, so he gets into the car. After several stops for more drinks and a couple of near misses, Tony runs the car into a tree. Christopher suffers a broken nose and dislocated shoulder. If Christopher sues Tony for his injuries, alleging negligence, Christopher will likely

- win under the doctrine of strict liability
- win, because Tony got drunk intentionally
- lose, under the doctrine of assumption of risk
- lose, because Tony did not owe Christopher a duty of care

12. At the time it makes a claim about its product, an advertiser must have

- done scientific testing to substantiate the claim
- anecdotal evidence to support the claim
- a reasonable basis to make the claim
- none of the above; an advertiser will not have to be able to substantiate its claim unless there is an allegation that a claim is untrue

13. In *Pennington v. Singleton* (used boat with defective motor), the Texas Supreme Court held that

- the Texas Deceptive Trade Practices Act applied to sales by non-merchants
- the policy behind allowing lawsuits against non-merchants was to provide a remedy for one-time abuses that law enforcement was unlikely to act on
- both of the above are true
- none of the above are true; the Court held that the Act only applied to merchants (i.e., those regularly engaged in selling goods of that kind)

B. Short Answer (6 points)

You just got your first job and can finally afford the new Toyota you've been wanting. To get the best price for your current car, a 2001 Ford, you decide to sell it privately rather than trade it in. You have the car inspected at the Ford dealership, where the service manager tells you that the frame is bent (from an accident you had six weeks earlier) and that while the car is safe to drive, the front end can never be properly aligned and front tires will only last a few thousand miles before needing replacement. You buy a new set of tires, put an ad in the paper indicating year and price, and say nothing about the condition of the vehicle.

Sally, a college student, responds to the ad, takes the car for a test drive, and offers your asking price. She doesn't ask anything about the condition of the vehicle and you offer no information. Six weeks later, noticing wear on the tires, Sally has the car examined by a mechanic who points out the bent frame.

1. If Sally sues you for the tort of common law fraud, is she likely to win?
2. Why or why not? (i.e., are all the elements present?)
3. If Sally sues for the tort of non-disclosure, is she likely to win?
4. Why or why not? (i.e., do any of the modern exceptions to *caveat emptor* apply?)
5. If Sally sues under Vermont's Consumer Fraud Act, is she likely to win?
6. Why or why not? (i.e., are all the elements present?)

Bonus Question: What Vermont Supreme Court case supports your conclusion in #5/#6?