

1970

Contracts I (January 14, 1970)

William & Mary Law School

Repository Citation

William & Mary Law School, "Contracts I (January 14, 1970)" (1970). *Faculty Exams: 1944-1973*. 216.
<https://scholarship.law.wm.edu/exams/216>

Copyright c 1970 by the authors. This article is brought to you by the William & Mary Law School Scholarship Repository.
<https://scholarship.law.wm.edu/exams>

CONTRACTS I

January 14, 1970

Mr. Torcia

Time Allowed: 3 hours

1. A had a housekeeper B whom he paid \$100 per week, and she had been working for him for some 20 years. In order to reward her for past loyal service and to make certain that she would not leave him for more profitable employment elsewhere, A delivered the following written instrument to B: "If you stay on as my housekeeper for another 10 years, I will pay you a bonus of \$2,000. It is to be understood, however, that no legal obligation to pay you such a bonus is intended." B stayed on for the requisite 10 years and demanded payment of \$2,000. A, who had suffered a significant financial disappointment, refused to pay, claiming that it would be a hardship to do so and, in any event, he was not "legally obligated" to pay. Is B entitled to the \$2,000? (You are to assume that the Statute of Frauds is not applicable.)

2. On May 1, A purchased a radio at B's department store for \$50 and promised to pay for it in three months. It seems that C, a friend of A, had been planning on making a gift of a radio to A. When C discovered that A had purchased a radio on credit, he (C) decided to make a gift of that radio to him(A). So, on June 1, C said to B: "If you will discharge A from his debt of \$50, I promise to pay it." B agreed to do so and, in due course, he duly discharged A. Shortly thereafter, because of a dispute, A and C were no longer on friendly terms, and C told A: "Don't expect me to pay for that radio." When the due date (August 1) arrived and B demanded payment of the \$50 from C, C vehemently refused. C urged that there was no consideration, and that the Statute of Frauds requires that a promise to answer for the debt of another must be in writing. Is C legally obligated to pay the \$50 to B?

3. On May 1, A offered to sell his boat to B for \$400 and, at B's request, in consideration of 25 cents (which B paid to A), A promised to hold his offer open for 25 days. On May 8, B informed A that he did not wish to purchase the boat. On May 13, A entered into a contract to sell the boat to C. On May 20, B indulged a change of mind and decided to purchase the boat. So, entirely unaware of A's contract with C, B purported to accept A's offer. Is A legally obligated to sell the boat to B? (You are to assume that the Statute of Frauds is not applicable.)

4. A entered into a written agreement with B under which A promised to build a house and B promised to pay \$15,000 therefor. A anticipated a net profit of \$4,000. When A was starting to perform, he received an offer from C to do some construction work which would net a profit of about \$6,000 to A, but he would have to start in on C's job immediately. A confronted B with C's offer and said: "I am stopping work unless you promise to pay me an extra \$2,000." B replied: "I never knew you were that kind of a man. But you leave me no choice; there are no other builders available." A said: "Come into my office and we'll straighten it out right now." After entering A's office, A suggested that their original contract be torn to pieces and, with B's assent, this was done; and then a new agreement was prepared and signed by A and B. The terms of the new agreement were identical with those of the old one, except that B promised to pay \$17,000 under the new agreement rather than \$15,000. Thereupon, in due course, A completed the building of the house and demanded payment of \$17,000, which B refused. Is A entitled to the \$17,000?

5. On June 1, A sent a letter to B offering to sell him his horse for \$200, and he promised to hold his offer open for 10 days. B received the letter on June 3 and, on the same day, mailed a letter to A accepting his offer. On June 4, B decided not to buy the horse and he got his letter of acceptance back from the Post Office, and he sent a telegram to A rejecting the offer (and this telegram was received by A on the same day, June 4). On June 5, B discovered that he would be able to resell the horse to a third party for \$300. So, influenced by this opportunity to make a neat profit, B telephoned A on June 5 and said that a contract between A and B came into existence on June 3; and B observed, even if a contract did not come into existence on June 3, since the 10-day period that the offer was to remain open had not yet expired, B was now (on June 5) accepting the offer and bringing on a contract. Is A legally obligated to sell the horse to B for \$200? (You are to assume that the Statute of Frauds is not applicable.)

THE END