

4.2.E: Assessment Questions

1. What is the definition of a contract?

Answer

A contract is defined as an agreement between two or more parties that is enforceable by law.

2. The elements of a contract include all but the following element:
 - a. Offer and acceptance.
 - b. Consideration.
 - c. Capacity.
 - d. Promissory Estoppel.
3. What are the ways an agreement can be invalidated?
 - a. Fraud.
 - b. Misrepresentation.
 - c. Undue influence.
 - d. All of the above.

Answer

d

4. Describe the concept of Promissory Estoppel.
5. Consideration may include any of the following except:
 - a. A promise.
 - b. A gift.
 - c. Property.
 - d. Money.

Answer

b

6. What happens when a person lacks the legal capacity to enter into a contract?
7. Which of the following is most likely to be classified as a necessity for which a minor will be held liable on a contract?
 - a. A television.
 - b. School supplies.
 - c. Education.
 - d. Food.

Answer

d

8. A minor can avoid a contract to purchase a car if:
 - a. The car has been destroyed.
 - b. The car has been damaged.
 - c. He or she grows tired of it.
 - d. All of the above.
9. When can a mentally incompetent person void a contract?

Answer

If a person lacks the mental capacity to enter a contract, then either he or she, or his or her legal guardian, may void it, except in cases where the contract involved necessities. In most states, mental capacity is measured against the “cognitive standard” of whether the party understood its meaning and effect.

10. Examples of illegal contracts include all but the following:
- Contracts for the sale or distribution of heroin.
 - Contracts for loansharking.
 - Contracts in consideration of marriage.
 - Employment contracts for the hiring of undocumented workers.
11. Define a material breach.

Answer

A material breach is when something substantially different from what was expected under the terms of the contract is delivered, the breach is considered material.

12. Typical remedies available for a breach of contract include:
- Money damages.
 - Rescission.
 - Specific Performance.
 - All of the above.
13. Distinguish between rescission and reformation.

Answer

Rescission terminates the duties of both parties under the contract, while reformation allows courts to equitably change the contracts substance.

14. Courts of equity will not grant specific performance of contracts:
- For a personal service contract.
 - For the sale of real estate.
 - For the sale of the original manuscript of a rare edition book.
 - All of these are correct.
15. Define restitution.

Answer

Restitution restores the injured party to status quo or the position they had prior to the formation of the contract, by returning the plaintiff any money or property give pursuant to the contract.

Contributors and Attributions

- The OpenStax name, OpenStax logo, OpenStax book covers, OpenStax CNX name, and OpenStax CNX logo are not subject to the creative commons license and may not be reproduced without the prior and express written consent of Rice University. For questions regarding this license, please contact support@openstax.org. Download for free at <https://openstax.org/details/books/b...w-i-essentials>.

4.2.E: Assessment Questions is shared under a CC BY 4.0 license and was authored, remixed, and/or curated by LibreTexts.