

I. Contracts

Read the chapter about contract formation in the chapter from *Emanual*. Then write your answers to the following questions taken from *Restatement of the Law: Contracts, 2d*. (The numbers in parentheses refer to page and section numbers in the *Restatement* and need not concern you for this assignment.)

Important: Don't just answer Yes/No. Also give a reason for your Yes/No answer.

Note: There are 18 questions.

1. A says to B, "I will employ you for a year at a salary of \$5,000 if I go into business." Is this a valid promise? (11, 3)
2. A owes B \$50. In exchange for A's payment of the debt B makes a promise. Is there consideration? (53,1)
3. A offers to sell B goods shipped from Bombay ex steamer "Peerless". B accepts. There are two steamers of the name "Peerless" sailing from Bombay at materially different times. Both parties intend the same Peerless. Is there a contract? (60,1)
4. The facts being otherwise as stated above, but A means Peerless No. 1 and B means Peerless No. 2. Neither A nor B knows nor has reason to know that they mean different ships. Is there a contract? (60,2)
5. The facts being otherwise as stated above, but A knows that B means Peerless No. 2 and B does not know that there are two ships named Peerless. Is there a contract? (60,3)
6. A invites his friend B to dinner in his home, and B accepts. Is there a contract? (64,5)
7. The facts being otherwise as stated above, but A promised B a fee for attending and entertaining the other guests, and B did so. Was there a contract? (64,5)
8. A sends B an offer through the mail to sell A's horse for \$500. While this offer is in the mail, B, in ignorance thereof, mails to A an offer to pay \$500 for the horse. Is there a contract? (69,4)
9. A writes B, "I am eager to sell my house, I would consider \$20,000 for it." B promptly answers, "I will buy your house for \$20,000 cash." Is there a contract? (77,4)
10. A publishes the following offer: "I will pay \$50 for the return of my diamond bracelet lost yesterday on State Street." B sees this advertisement and at once sends a letter to A, saying "I accept your offer and will search for this bracelet." Is this a valid acceptance? (90,3)
11. A makes an offer to B and adds: "This offer will remain open for a week." B rejects the offer the following day, but later in the week purports to accept it. Is there a contract? (105,1)
12. A offers B to sell him a parcel of land for \$5,000, stating that the offer will remain open for thirty days. B replies, "Won't you take less?" A answers, "No." Has B made a counteroffer? (107,2)
13. A receives a gift from B of a book worth \$10. Subsequently A promises to pay B the value of the book. Is there consideration? (2)
14. A desires to make a binding promise to give \$1000 to his son B. Being advised that a gratuitous promise is not binding, A offers to buy from B for \$1000 a book worth less than \$1. B accepts the offer. Is there consideration for A's promise? (5)
15. A promises B to pay \$1,000 to B, a bank, in exchange for the delivery of a car by C to A's son D. Is there consideration for A's promise? (176,18)
16. A and B are engaged to be married. In a prenuptial agreement C, A's father, promises B that C will pay an annuity to A, and A and B marry in reliance on the promise. Is the marriage consideration for C's promise? (182,9)

17. A promises to sell and B to buy goods if A's employees do not strike before the time for delivery. Is there consideration? (193,4)
18. A owes B \$5. B promises to give a book to A if A will pay the \$5 and \$1 in addition. A pays the \$6. Is B's promise binding? What if A had paid \$5? (205,3)