

Answer Sheet
Contracts
Spring 1992

Question 1

General Analysis 42 pts

Question -- who breached 8 pts

Dev. must show that Manufacturer Breached
Were conditions precedent to Mfr's Obligations met
or excused
Was Dev. justified in discontinuing performance
is tender of performance excused?

Delivery Deadline

Interpretation -- Condition or Promise 8 pts

Importance of distinction --
promise as constructive cond.
substantial performance
Language of promise itself
Add on Language purporting to make it a "condition"
Language is vague
Problem with making everything a condition

Waiver/Estoppel 8 pts

Distinction
Telephone conversation as estoppel
reliance
effect of reaffirmation on 3/28

Satisfaction

Interpretation 8 pts

Does subject to language give rise to a condition?
Is this only a promise that satisfaction will be reached by 3/31?
Estoppel by failure to inform of decision

Standard of review 8 pts

Subjective v. Objective
Taste fancy or sensibility
Fact that party to contract is reviewing

Fact of extensive listing of specifications
Effect of standard of review
Fact that line of computers discontinued

Other

2 pts

Question 2	25 pts
Understanding of the statute of frauds -- general goals and requirements	8 pts
Traditional justification and analysis	8 pts
prevention of frauds and perjuries	
efficacy	
requirements as impacting	
Other justifications	8 pts
Comparison to consideration	
channeling function	
cautionary function	
Other	1 pt

Question 3 33 pts

Promise v. Condition 8 pts

Sale of 100,000 units as promise
Sale of 100,000 units as condition
Effect

Parol Evidence Rule 8 pts

Is contract fully integrated?
Evidence indicates that it may be
Even if fully integrated, is the contract so ambiguous that extrinsic evidence is
an aid to interpretation?
(PG&E issue)
Is contract partially integrated?
Is this a collateral agreement that is consistent with the contract? -- Mitchell
v. Lath

Mutual Mistake -- Development of New Laser Gun

Doctrine 8 pts
This is a fact as to which both parties may have been mistaken
Even so, was the risk clearly allocated in the contract.
Disclaimer of liability -- interpretation
Was this meant to shift the risk of failure of the device in
a specific way or does it allocate the more general risk of new devices?

Doctrine of Commercial Impracticability (also frustration is acceptable) 8 pts

Analysis -- Subsequent event that makes performance more difficult
Same risk shifting analysis applies
Distinction -- Parties may have truly believed that development of new technology
was a long way off -- same may not be true with Legislation

Other 1 pt