

CONTRACT FORMATION QUIZ #1

Prof. Bell

NOTE: Please assume that both the UCC and the Restatement (2nd) of Contracts apply, as relevant. To best mimic the actual MBE experience, allot yourselves 1.8 minutes/answer.

Question 1

Laura resolved to pull a prank on Billy. She revealed to her friends that she would pretend to offer Billy \$300 for his old laptop computer. She knew that Billy needed money and that his computer had a market value of just \$50. When Laura offered Billy \$300 for his computer, she explained her interest by saying, "I think there's a collector's item underneath all those dents and scuffs" Billy blushed but immediately replied, "I accept your offer and will deliver the computer to you tomorrow." Laura said, "Ta ta till then!" and walked away.

When Billy presented Laura with the computer the next day, Laura and her assembled friends burst into laughter. "You doofus!" Laura tittered, "Nobody wants your junky laptop! I was just pulling a prank--and you fell for it." Billy stormed off.

Based on these facts, it is most likely that:

- (A) A contract exists because Billy commenced performance.
- (B) A contract exists because Billy reasonably believed that Laura made a serious offer, which he accepted.
- (C) No contract exists because Laura did not intend to make an offer.
- (D) No contract exists because Laura testified to her friends that the offer was made in jest.

Question 2

Frameco sells license plate frames engraved with custom messages. It sent a "Dear friend" flyer to several hundred potential customers, including Adtech. Frameco's flyer said that it was offering frames at \$1 per item. It further specified that orders had to be for at least 1,000 frames and that the inscriptions could have no more than 25 letters each. Adtech faxed Frameco, "Send me 2,000 frames, at \$1 each, with the following inscription" The inscription contained 22 letters.

The next day, Frameco called Adtech to say that due to an unforeseen increase in the cost of production the purchase price had risen to \$1.25 per frame.

On these facts, if Adtech sues Frameco for breach of contract, it is most likely that:

- (A) Adtech will prevail, because it accepted Frameco's flyer by its return fax.
- (B) Adtech will prevail because Frameco is estopped to deny that it reasonably expected Adtech to rely on its promise, which Adtech did.
- (C) Frameco will prevail because Adtech's fax was not in a manner and by a medium invited by the offer.
- (D) Frameco will prevail because its letter to Adtech did not constitute an offer.

CONTRACT FORMATION QUIZ #1--ANSWER KEY

1. (B). This is simply a rehash of *Lucy v. Zehmer*.
2. (D).