

Contracts: Consideration

1. Be prepared to define, explain, give examples of, and distinguish between the following terms
 - a. consideration
 - b. bargained for exchange
 - c. past consideration
 - d. pre-existing duty (as relates to consideration)
 - e. forbearance (as relates to consideration)
 - f. adequacy (as relates to consideration)

2. Read and be prepared to orally brief and discuss the case:

- *Hamer v. Sidway* [on-line]

Address the following questions:

- a. Was the contract between the uncle and the nephew a bilateral contract or a unilateral contract? How do you know?
- b. What consideration did the nephew give in exchange for his uncle's promise? What consideration was to support the uncle's promise?
- c. Did the court consider the nephew's consideration as legally sufficient consideration to support a contract? If so, on what theory?

What if the facts of *Hamer v. Sidway* were different?

- d. What if the nephew had not had a legal right to engage in the behavior that he agreed to forgo? Would the result in the case have been different? Why or why not?
- e. What if the case were set in today's times? If the nephew gave up smoking before he turned 21, would that be sufficient consideration? If the nephew gave up drinking alcohol before he turned 21, would that be sufficient consideration?

3. Read and be prepared to orally brief and discuss the case:

- *Blackmon v. Iverson* [on-line]

Discuss:

- a. What is a pre-existing duty?
- b. Can a pre-existing duty (by law or contract) constitute legally sufficient consideration? Why or why not?
- c. Give other examples.

4. When will a court question the adequacy of consideration? What is the general rule?