

Contracts — Consideration

1. Ron owes Matt an unsecured deposit of \$3,000. Ron has a discharge of all his unsecured debts by a bankruptcy court. Can the contract between Matt and Ron be reinstated?
2. Is a promise to pay a pre-existing moral obligation enforceable? Explain.
3.
 - a. How does Article 2 of the UCC modify the common law of contracts with regard to consideration?
 - b. Explain how output and requirements contracts differ from illusory promises.
4. Ken, a research chemist, has been promised a fellowship with a stipend of \$10,000 to do research on synthetic fuel oil. Under the terms of the fellowship, Ken is free to use the money as he sees fit. Ken decides to build his own laboratory, so he will not have to rent one. He hires a carpenter who begins working on shelving and cabinets in the laboratory. Then Ken receives a telegram saying the fellowship has been canceled. No reason is given for the cancellation. If Ken sues, will he be able to collect the money from the foundation which promised the fellowship? Explain your answer using legal terminology.
5. Define legal detriment.
6. Define a substituted contract and explain how it affects an agreement.
7. Define consideration.
8. What transactions are enforceable even though they are not supported by consideration?
9. Breton owes Parkerson \$750, which is due on June 1. Discuss the sufficiency of consideration if Breton offers Parkerson: (a) \$600 in full settlement on June 1 if the debt is undisputed; (b) \$600 in full settlement on April 10 if the debt is undisputed; and (c) \$500 on June 1 to settle the debt if the amount of the debt is validly disputed.
10. Discuss the concept of adequacy of consideration.