

Contracts — Contracts in Writing

1. Sam orally agreed to sell his house to Humphrey. Humphrey wanted it ready for his family quickly, so after he paid Sam a 5% deposit, he had a new roof put on, new carpeting installed, and he renovated the kitchen. Sam now thinks the place looks great and has decided not to sell. A business law student told him he could back out of the oral agreement. Can he? Explain.
2. Richard agrees to supply Henry with all his needs of specially made shampoo for Henry's beauty salon. Henry believes that Richard is a representative of a famous hair products company, but he finds a letter to a competitor written by Richard two days before the agreement is signed proving that Richard is a fraud. Richard says that this letter may not be admitted to court since their contract is wholly integrated. Is he correct?
3. Identify at least six situations in which the parol evidence rule does not apply.
4.
 - a. What are the basic requirements of a writing within the statute of frauds in Article 2 of the UCC?
 - b. In what three cases does Article 2 of the UCC permit an oral contract?
5. With regard to the interpretation of a contract that falls within Article 2 of the UCC, what priority is given to each of the following items?
 - (a) Course of dealing
 - (b) Usage of trade
 - (c) Express terms
 - (d) Course of performance
6. Under the Restatement and the Code, when can supplemental evidence be used with a written contract?
7. Define the statute of frauds and give an example of what is covered.
8. On April 2, Derrick hires JoAnn to work for ten months starting on June 10. Does the employment contract have to be written? Explain.