

**UNIT FOUR QUIZZES: Chapters 20 - 22****CHAPTER 20**

- A. The Uniform Commercial Code, Article 2 (UCC-2) governs the Sale of Goods. Goods are \_\_\_[1]\_\_\_ and \_\_\_[2]\_\_\_ personal property. When a transaction combines both the sale of goods and the sale of services, then the predominate nature of the transaction determines which law governs that transaction.
- B. The UCC-2 uses different rules for transactions between two merchants, between a merchant and a consumer, and between two consumers. A merchant is any person who either deals in goods of that kind (i.e., reason to know); or hires an \_\_\_[3]\_\_\_ who is a merchant (i.e., vicarious knowledge); or holds self out as a merchant (i.e., estoppel). All consumers are \_\_\_[4]\_\_\_ persons.
- C. The UCC-2 repeals the Mirror Image Rule by authorizing open terms. The objective intent of the parties to be bound to a contract, when coupled with the obligation of \_\_\_[5]\_\_\_ \_\_\_[6]\_\_\_ faith (which may not be disclaimed), allows the court to complete most open term with commercial reasonable terms. However, only the quantity term may not be an open term. A quantity term is not open if the contract is an output contract or a requirements contract.
- D. The UCC-2 includes the Statute of Frauds. The Parole Evidence Rule helps enforce the Statute of Frauds by barring from court oral evidence that seeks to contradict or vary the written terms of the contract. If a written contract term is ambiguous, then oral evidence is allowed to determine the parties' objective intent. If the Plain Meaning Rule does not remove the ambiguity, then the court might use as the parties' objective intent the meaning for that term based upon the parties' course of \_\_\_[7]\_\_\_, the parties' course of \_\_\_[8]\_\_\_, or the usage of trade.

**CHAPTER 21**

- A. Before any interest in specific \_\_\_[1]\_\_\_ can pass from the seller to the buyer the [1] must be in \_\_\_[2]\_\_\_ and must be identified. The [1] are identified when the [1] are \_\_\_[3]\_\_\_ as the subject matter of the sale contract. [1] that are part of a larger mass when the seller [3] the particular [1] (e.g., separates the [3] [1] from the mass). However, \_\_\_[4]\_\_\_ [1] are owned by tenants in common and need not be separated for identification. Under the UCC-2, \_\_\_[5]\_\_\_ passes from the seller to the buyer at the time of and at the place of the seller performing physical delivery of the [1].
- B. Ordinarily, a seller only can transfer as [1] a [5] as the seller has. For example, since the [5] of a thief is void, the buyer from that thief only gets a void [5]. However, a seller with a voidable [5] can transfer [1] [5] to a [1] \_\_\_[6]\_\_\_ purchaser for value and without \_\_\_[7]\_\_\_ the seller's defective [5]. Additionally, the entrustment rule allows a \_\_\_[8]\_\_\_ who deals in [1] of that kind to create

[1] [5] in a [1] [6] purchaser for value in the ordinary course of business and without [7] of the claims of others.

- C. Under the UCC-2 the \_\_\_[9]\_\_\_ of loss does not necessarily pass with [5]. If the parties' contract does not specify when the [9] of loss passes, then the UCC-2 provides rules for the passing of the [9] of loss. Under the UCC-2 if the parties' contract is a \_\_\_[10]\_\_\_ contract, then the [9] of loss passes from the seller to the buyer upon the seller's due delivery of the [1] to the carrier. Under the UCC-2, if the parties' contract is a \_\_\_[11]\_\_\_ contract, then the [9] of loss passes from the seller to the buyer upon the carrier's due deliver at the contract specified [11]. A buyer obtains an \_\_\_[12]\_\_\_ interest in the [1] as soon as the [1] are identified. The seller retains an [12] interest in the [1] as long as the seller has [5] to the [1].

## CHAPTER 22

- A. \_\_\_[1]\_\_\_ \_\_\_[2]\_\_\_ are [2] that [1] exactly to the description of the [2] in the contract. [1] [2] are complete performance with respect to the subject matter of the contract. While the UCC-2 nearly completely eliminated the Mirror Image Rule, the UCC-2 retains the concurrent condition of the \_\_\_[3]\_\_\_ \_\_\_[4]\_\_\_ Rule (i.e., ready, willing, and able to provide complete performance).
- B. Damages re[9]able under the UCC-2 are greater than damages re[9]able under the common law of contracts in several ways. For example, while both the common law of contracts and the UCC-2 include incidental damages within compensatory damages, the UCC-2 includes within incidental damages the non-breaching party's \_\_\_[5]\_\_\_ \_\_\_[6]\_\_\_ which would be consequential damages under the common law of contracts. However, the UCC-2 also seeks to reduce the scope of re[9]able damages. For example, both the common law of contracts and the UCC-2 create in the non-breaching party a \_\_\_[7]\_\_\_ to mitigate damages, but the UCC-2 creates a \_\_\_[8]\_\_\_ of the non-breaching party to \_\_\_[9]\_\_\_ by entering the market to obtain substitute [1] [2]. Also, the UCC-2 creates a new [8], relative to the common law of contracts whereby the breaching seller whose performance is delivered prior to the time that the contract calls for performance may \_\_\_[10]\_\_\_ that performance with respect to any breach by way of non-[1] [2].

## CHAPTER 23

- A. A Statute of Limitations provides procedural due process while a Statute of Repose provides substantive due process. A Statute of Limitations can be \_\_\_[1]\_\_\_, a Statute of Repose can not. Accordingly, the Statue of Repose identifies a firm deadline for when the plaintiff must file suit of lose the plaintiff's standing to sue because, although the plaintiff still might have suffered an injury in fact, that injury no longer is sufficiently \_\_\_[2]\_\_\_ to continue to include the plaintiff within the zone of protected interests.

- B. Product liability is a form of strict liability, with the social risk allocation motivated by the merchant's superior abilities (relative to the consumer) for controlling the risk of harm and financing preventative measures. The merchant is strictly liable for allowing an unreasonably dangerous product to be sold to the consumer. Under the common law of contracts only those parties that shared \_\_\_[3]\_\_\_ of contract could be liable; however, product liability imposes liability on manufacturers who do not have [3] of contract with consumers. There is no [3] of contract between manufactures and consumers when those manufactures do not sell directly to the consumers; but instead, those manufactures sell directly to wholesalers, who in term sell directly to retailers, who in term sell directly to consumers.
- C. All merchants selling goods convey those goods along with an \_\_\_[4]\_\_\_ warranty of \_\_\_[5]\_\_\_. Because the UCC-2 does not require an election of remedies, in addition to that [4] warranty of [5] a consumer might also have claims against the merchant seller based upon additional warranties. For example, a merchant seller might have given the consumer an [4] warranty of fitness for a \_\_\_[6]\_\_\_ purpose (i.e., seller knows of the [6] purpose and the seller knows the buyer is relying upon the seller's skill to select suitable goods) and/or the seller might have given the consumer an \_\_\_[7]\_\_\_ warranty (e.g., seller's affirmation of fact that is part of the basis for the bargain).