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print name as your signature

**INSTRUCTIONS:**

- A. Only answers on the blue computer graded answer sheet count.
- B. The maximum extra credit points available on this quiz is 5% of the course credit.
- C. This quiz is **graded asymmetrically**.  
Five and fewer correct answers earn **zero extra credit**.  
Six or seven correct answers earn **1% extra credit**.  
Eight, nine, or ten correct answers earn the full **5% extra credit**.
- D. Since this quiz is extra credit,  
**no appeals** permitted of the grading of this quiz.

**QUESTIONS:**

- 1. **T F** All negotiable instruments are written and signed.
- 2. **T F** An indorsement that is conditional renders a draft voidable; but it renders a promissory note void.
- 3. **T F** An issue of a negotiable instrument to a holder is a negotiation.
- 4. **T F** A negotiable instrument requires "value" rather than "consideration"; but, to become an HDC the negotiation must be for consideration.
- 5. **T F** Both a UCC consumer's good faith and a merchant's good faith require both honesty in fact and commercial reasonableness.
- 6. **T F** Personal defenses (e.g., fraud in the inducement) are good against the payee;  
good against either an HDC or a HtHDC  
are defenses that are universal defenses (i.e., renders the instrument void).
- 7. **T F** On a certified check or a cashier's check the drawee signs the front.
- 8. **T F** A bank breaches its contract with the drawer if the bank dishonors a stale check.
- 9. **T F** All transfer warranties and all presentment warranties may be expressly disclaimed on promissory notes.
- 10. **T F** The FTC 3 day rule prohibits the factoring of a merchant's paper (e.g., a merchant's promissory note given in a bargained for exchange for the purchase of inventory from a merchant supplier) until the third day following the date certain of that instrument.