

**Final Examination
Contracts I
Professor Janice Kosel
Fall 2008**

1. You have two (2) hours to complete this exam.

2. This is a **closed** book exam.

3. This exam consists of one (1) essay question. Please write your response in the blue books provided. Please write clearly. Write on every other line and every other page to permit instructor comments.

4. Write your exam number on your exam envelope. Put your correct class section and student exam # at the top of this page, each page of questions, and each blue book. **Do not** use your name, student ID number or Social Security Number on any exam materials.

5. If you believe you need any additional factual information, reveal exactly what it is and how it will affect your answer.

6. At the conclusion of the exam, return all test materials, including blue books, scratch paper, and this exam packet to the envelope and submit it to the proctor. **DO NOT** seal the envelope. Students who do not return all exam materials at the end of the exam may not be graded.

GOOD LUCK!

EXAM QUESTIONS

1. Ted was confident that the vote on his tenure as a law professor would be a favorable one. His teaching evaluations by students and his peers were only so-so. But Ted had been a faithful member of the law school community, performing all requested committee work. He was a visible presence in the bay area legal community. And, most importantly, Ted had just completed a textbook on Contracts to be published by North Press.

Imagine Ted's disappointment when North's representative called to tell him that North would be breaching its contract with Ted. They didn't believe there was much of a market for Ted's textbook after all. Recent surveys of law faculty teaching Contracts in law schools across the US indicated they were satisfied with existing textbook choices.

Ted was devastated by the news. He worried that it might have a negative effect on his tenure vote. Sure enough, three weeks later Ted was denied tenure by a vote of 10 – 7. All voting was done by secret ballot so it was hard to figure out who had voted against him and why. But Ted just knew that North's decision had been a key factor. As a result of the negative tenure vote, Ted has lost his teaching job at the law school.

Ted has decided to sue North Press. Will he be successful? Why or why not?

If you had represented Ted at the time he negotiated his contract with North, what advice, if any, would you have given Ted?

2. Peerless, an institution of higher education situated on a cruise ship that floats around the world, offered Ted a free cruise in exchange for lectures over the summer. Ted was so busy with his textbook that he forgot to sign and return the written contract Peerless sent him. But he did remember to buy \$500 of new luggage and a \$400 nonrefundable ticket to New Orleans, Peerless' home port. Unfortunately, when Peerless' dean learned that Ted's textbook would not be published and that Ted had been denied tenure, she notified Ted that his services would not be required by Peerless either. After all, they had intended to hire a "professor", and Ted was no longer one of those. And he had failed to return a signed contract indicating lecture titles and dates.

Advise Ted.

END OF EXAM