

FINAL EXAMINATION  
CONTRACTS II and CONTRACTS MYA

PROFESSOR KOSEL

SPRING 2006

**INSTRUCTIONS**

1. The total time for this exam is **three (3) hours**. You may allocate your time as you wish.
2. This is a **closed** book exam.
3. There are TWO PARTS to this examination, MULTIPLE CHOICE and ESSAY.  
  
**PART I**, the multiple-choice segment, contains 20 questions and is worth 1/3 of your grade. Indicate the best answer on the ParSCORE test form provided.  
  
**PART II**, the essay segment, is worth 2/3 of your grade. Remember to take your time; read, think, analyze and organize your answer before you begin to write. If you believe you lack sufficient facts to answer the question, please specify what additional information you require and how it will affect your answer.
4. Write your student exam number on your exam envelope, the ParSCORE test form, every page of this exam, and all used blue books. **DO NOT** use your name, student ID number or Social Security number on any exam materials.
5. 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 fail to return all exam materials at the end of the exam may not be graded.
6. If you believe there is insufficient information to answer any portion of the essay, please indicate what parts, if any, you would like to know and how it would affect your answer.

**GOOD LUCK!**

## PART TWO

Polly Professor was scheduled to teach a seminar at the University of Paris for two weeks in March, but student riots broke out in February over changes to employment laws enacted by the French legislature. Most of the universities in France closed as a result of the riots including the University of Paris, which has now asked Polly to reschedule her seminar. As Polly had booked a package trip through Airline that included roundtrip airfare, hotel and breakfast every morning for \$4,000. Polly attempted to cancel her trip one week before departure, but Airline refused to refund her money. The agent pointed out the cancellation policy in the travel brochure 0 a refund of 50% if the trip is canceled thirty or more days prior to departure, 10% if the trip is canceled ten or more days prior to departure and nothing thereafter. Polly hadn't noticed the provision earlier - she had never had to cancel or reschedule a trip. And the agent of Airline had not pointed it out to her at the time of sale.

When Polly asked the agent if she could sell the trip on line, the agent pointed out another provision in the brochure: the trip was sold on condition that it be used exclusively by the purchaser, and the purchaser acknowledged that it could not be assigned.

- A) Does Polly have a cause of action against Airline? Discuss.

If she had consulted you at the time of contract formation, what would you have suggested? Discuss.

Do you have any additional advice for her now? Discuss.

- B) Polly had arranged to teach at the University of Paris the only two weeks she was available that academic year so she cannot honor the university's request that she reschedule.

Is Polly entitled to her \$2,500 salary from the University of Paris? Discuss.

- C) Polly had already sublet her home for that two week period to a couple with two children who were visiting the bay area from Germany. Once Polly canceled her trip to Paris, she decided to stay in her own home. After all, it had four bedrooms and she was sure the German family wouldn't mind. They were clearly startled by her presence, so Polly decided to make it up to them by taking them on a picnic to the wine country and inviting her friends to join them at home for dinner so the German family would get a real feel for America. The German family moved out after three days and has demanded a full refund of their \$2,100 payment. They are staying at the Claremont Hotel for \$200 a night and eating all of their meals in restaurants.

Is Polly liable to the German family, and, if so, in what amount? Discuss.

**END OF EXAM**