

**FINAL EXAMINATION  
CONTRACTS II and CONTRACTS MYA  
PROFESSOR KOSEL  
SPRING 2007**

**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 facts, if any, you would like to know and how it would affect your answer.

**GOOD LUCK!**

## **PART TWO: Essay**

The Russian space program was running short of funds. Given the economic circumstances in the country, there were limited potential sources of revenue. So the Russians decided to seek out and solicit American billionaires. At the insistence of the Americans, the contracts all were written in English and included a provision indicating that American law would govern the terms of the transaction.

Three billionaires signed up. Each of their adventures posed significant legal issues.

**A.** Amanda had no problems completing the six month training course required of the American cosmonauts. But soon after blast off she began to experience severe claustrophobia (a previously undiagnosed condition). Her extreme anxiety and resultant abnormal behavior necessitated large doses of medication. As a result, Amanda has almost no memory of her one week adventure in space which she completed in a virtually vegetative state. During contract negotiations, the Russians had promised her a “truly memorable experience”. Amanda now seeks a full refund of her \$25 million payment. Advise her.

**B.** Bill also completed the training program without incident. He spent the two week period between graduation and blast off celebrating with friends at a resort on the Red Sea. When he reported for departure, he was unable to fit in his space suit or the flight capsule because he had gained ten pounds. The Russians could not delay the departure because they needed to re-supply the space station. So the launch took place with Bill acting as an observer rather than a participant. Bill now seeks a full refund of his \$25 million payment. Advise him.

**C.** As a result of these two misadventures, the Russians revised the program in the midst of their negotiations with Candy. The new form of agreement requires extensive psychological evaluation of the participant and full time residence in Russia during training and at all times prior to flight. All meals must be approved and provided by the Russian space agency.

The Russians gave Candy a copy of the old agreement at the beginning of negotiations. They did not mention the changes when they asked Candy to sign the new form of agreement. Assuming it was the usual form, Candy signed without reading the agreement. Soon after arrival in Russia, Candy became aware of the new terms. Candy considers psychological evaluation an invasion of personal privacy. And Candy abhors borscht. Candy angrily told the head of the Russian space agency that she wants to participate on the terms of the earlier form of agreement or to receive a full refund. Advise Candy.

END OF EXAM