

# Contracts Definitions Assignment

The purpose of the definitions assignment is to move students beyond mere familiarity with legal terminology, to understanding what the terms mean. There are two parts to the assignment:

**First**, students must give a definition or rule of law for each term. The definition need not be in a student's own words. Any reliable legal source may be used, such as *Black's Law Dictionary*, *Clancey's Outlaw*, commercial law outlines, etc. so long as the definition is correct, concise, and includes all necessary elements. We do not recommend Wikipedia, websites containing other law students' work, or similar sources, as the information may not be accurate.

**Second**, in their own words students must provide either: 1) a short hypothetical which shows understanding of the term by illustrating or providing an example of its usage; or 2) a further explanation of detailed information concerning the term. It is not sufficient to simply restate the rule provided in part one in one's own words — an illustration or additional information that demonstrates an understanding of the term or rule must be included.

1. **Contract:** A contract is an agreement between two or more parties which the law will enforce. (*Clancey's Outlaw*)

**Example:** When John signed the contract with the local Ford dealer to buy a new car, it was an agreement between two parties: John and the dealer. The law will enforce the agreement because it was mutually agreed to, and it is supported by consideration through the exchange of the car for the price.

2. **Privity of Contract:** Privity of contract is the relationship between the parties to a contract, allowing them to sue each other but preventing a third party from doing so. (*Black's Law Dictionary*)

**Example:** In the above example, John and the dealer are in privity of contract since they are the two parties to the contract. So, if John doesn't make his payments, the dealer can sue John.

3. **Uniform Commercial Code:** The Uniform Commercial Code is a uniform law that governs commercial transactions, including sales of goods, secured transactions, and negotiable instruments. The UCC has been adopted in some form by every state. (*Black's Law Dictionary*)

**Example:** The UCC governs the contract between John and the local Ford dealer because the contract is for the sale of goods.

4. **Goods:** Goods are tangible chattels which are moveable and identifiable to the contract at the time of formation. (*Clancey's Outlaw*)

**Example:** A car is a good because it is a tangible item which can be moved. In the contract between John and the local Ford dealer, the car would be identified in the contract.

5. **Predominant Factor Test:** Usually the court will apply the "predominant factor test" to see if the contract's primary purpose is sale of goods or provision of services and then apply the appropriate law. (*Clancey's Outlaw*)

**Example:** Sally hired Mike to paint her house, for a price of \$4,500, which includes the paint. Although paint is a good, the common law will likely govern the contract because the primary purpose for contract was not the sale of paint; it was the service of painting Sally's house.

## Terms to be Used for the Contracts Definitions Assignment:

1. contract
2. privity of contract
3. Uniform Commercial Code
4. goods
5. Predominant Factor Test
6. merchant
7. offer
8. termination of offer
9. revocation of offer
10. firm offer
11. acceptance
12. Mirror Image Rule
13. mutual assent
14. meeting of the minds
15. Objective Theory of Contracts
16. consideration
17. legal detriment
18. sufficiency of consideration
19. Preexisting Duty Rule
20. promissory estoppel
21. Moral Obligation Rule
22. illusory promise
23. *Merit Music v. Sonneborn*
24. Mailbox Rule
25. *Caldwell v. Cline*
26. unilateral contract: revocation of offer rule
27. rejection
28. counteroffer
29. counteroffer as an implied rejection
30. battle of the forms
31. bilateral contract
32. unilateral contract
33. executed contract
34. executory contract
35. express contract
36. implied in fact contract
37. implied in law contract (quasi contract)
38. *quantum meruit*
39. *quantum valebant*
40. requirements contract
41. output contract
42. option contract
43. void contract
44. voidable contract
45. power of disaffirmance
46. installment contract
47. exculpatory clause
48. guaranty
49. Statute of Frauds
50. Parol Evidence Rule
51. integrated contract

52. course of performance
53. course of dealing
54. usage of trade
55. contract of adhesion
56. unconscionable contract
57. third party beneficiary contract
58. *Lawrence v. Fox*
59. intended beneficiary
60. creditor beneficiary
61. donee beneficiary
62. incidental beneficiary
63. rights against the promisee
64. assignment
65. delegation and assumption of duties
66. condition
67. condition precedent
68. condition concurrent
69. condition subsequent
70. express conditions
71. implied in fact conditions
72. doctrine of constructive conditions
73. substantial performance
74. implied condition of cooperation
75. waiver of condition
76. divisible (or severable) contracts
77. modification
78. Collateral Agreement Doctrine
79. accord and satisfaction
80. novation
81. release
82. mutual rescission
83. impossibility of performance
84. economic or commercial impracticability
85. prospective failure of condition
86. frustration of purpose
87. merger
88. breach
89. anticipatory breach
90. minor breach
91. material breach
92. privity of contract
93. liquidated damages
94. compensatory damages
95. consequential damages
96. expectation damages
97. reliance damages
98. nominal damages
99. mitigation of damages
100. punitive or exemplary damages