

Business Law
Consumer Law and Contracts
41 Points – Answer Key

Explain each of the following categories. Use complete sentences for your answers.

UCC special rules for sale of goods (6) page 164

Special UCC rules that apply to sales of goods are Methods of Dealing and Usage of trade, Good faith, Offer and Acceptance of a Sales Contract, Firm Offer, Different or Additional Terms, and Statute of limitations.

Four Examples of Goods (4) page 163

Student's answers may vary. Some examples of goods are clothing, books, cells phone, food, and cars

Areas where sales law does not apply (2) page 163

Sales Law does not apply to real property (houses and land) or services (work performed by someone else).

Seller's Remedies for Breach of Sales Contract (6) page 166

Seller's remedies for breach of sales contract are to cancel the contract, withhold delivery of goods, stop delivery of goods, resell goods that been rightfully withheld, and bring a claim against the buyer for the difference between the agreed price and the resale price, if goods cannot be resold, bring a claim against the buyer for the difference between he agreed price and the market price, bring a claim against the buyer for the price of any goods that the buyer accepts.

Buyer's Remedies for Breach of Sales Contracts (7) page 167

Buyer's remedies for breach of sales contract are cancel the contract, bring a claim against the seller for the difference between agreed price and the market price, refuse to accept the goods if something is wrong (buyer must notify the seller and give them time to fix the problem), buy similar goods from someone else and bring a claim against the seller for the difference between the agreed price and the cost of the purchase, give notice to the seller that the goods have been accepted, but that there is something wrong with them (if no adjustment is made the buyer may bring a claim against the seller), revoke the acceptance and return the goods if a serious defect was undetectable, or if the buyer was led to believe that sell would fix the defect.

Federal Consumer Protection Laws (2) page 169

Two federal consumer protection laws are the Consumer product Safety Act and the Consumer Leasing Act.

Unfair and Deceptive Practices (2) page 169

Unfair and deceptive practices are Fraudulent misrepresentation and bait and switch advertising.

Federal Trade Commission Trade Regulation Rules (4) page 170

Federal Trade Commission Trade regulation rules are negative option rules, cooling-off rules, telemarketing sales rule and shopping by mail, phone, fax, or internet.

Types of Expressed Warranties (4) page 171 & 173

Four types of expressed warranties are statement of fact or promise, description or sample of the goods, advertising express warranties, and Magnuson-Moss Warranty Act.

Types of Implied Warranties (2) page 173

The two types of implied warranties are merchantability and fitness for a particular purpose.

What are three examples of an Express Warranty? (3) page 172

Three examples of an expressed warranty are an oral statement or promise a seller makes to a buyer, a description of a product in an advertisement or on the box the product comes in, and in the form of an actual sample of the product.

Give three examples of items courts have held non-merchantable items (3) page 173

Example of items courts have held non-merchantable are boat motors that produce excessive amounts of black smoke, applesauce that was inedible because of poor taste and smell, and food containing pieces of glass.