Consumer Law and Contracts

Worksheet

**DIRECTIONS**: Fill in the table below. Then use the facts to answer the questions below.

|  |  |
| --- | --- |
| **Buyers’ Remedies** | **Seller’s Remedies** |
| ***Cancel the contract*** | ***Cancel the contract*** |
| ***Bring a claim against the seller for the return of money that was paid*** | ***Withhold delivery of goods*** |
| ***Bring a claim against the seller for the difference between the agreed price and the market price.*** | ***Stop delivery of any goods held by a carrier*** |
| ***Refuse to accept the goods if something is wrong with them. The buyer must notify the seller about this and give the seller time to correct the problem.*** | ***Resell any goods that have been rightfully withheld, and bring a claim against the buyer for the difference between the agreed price and the resale price.*** |
| ***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.*** | ***If the goods cannot be resold, bring a claim against the buyer for the difference between the agreed price and the market price*** |
| ***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 for breach of contract or warranty.*** | ***Bring a claim against the buyer for the price of any goods that the buyer accepts.*** |
| ***Revoke the acceptance and return the goods if a serious defect was detected, or if the buyer was led to believe that the seller would fix the defect.*** |  |

1. What remedy applies to both the buyer and seller when a sales contract has been breached?

**Either the buyer or sell may cancel the contract.**

1. If you buy new office furniture and notice it is damaged when it is delivered, what options do you have?

**I may refuse to accept the furniture or give notice to the furniture store that the goods have been accepted but something is wrong with them. I must give the store time to fix the problem.**

1. If a buyer breaches a sales contract, must the seller still deliver the goods. Explain your Answer.

**No, the seller may withhold delivery of the goods**

**DIRECTIONS**: Complete the following statements.

1. A fraudulent misrepresentation is any statement that

**deceives a buyer**

1. An implied warranty is a guarantee of quality imposed by

**Law**

1. The negative option rule applies to products that are sent

**when you subscribe to a magazine, book club, CD club, or other plan that sends products regularly.**

1. The cooling-off rule gives you three business days to

**cancel a transaction made away from a seller’s regular place of business.**

1. The Consumer Leasing Act requires

**lease agreements to include certain terms of the lease, including the required number of lease payments and their dollar amount.**

1. The telemarketing sales rule protects you from

**abusive people who try to sell products by phone.**

1. A warranty in the form of an actual sample of a product would be

**an expressed warranty.**

1. Under the Magnuson-Moss Warranty Act, a written warranty

**on goods in interstate commerce costing more than $10 must disclose whether it is full or limited.**

1. To be merchantable, goods must be adequately contained,

**packaged, and labeled, and conform to any promises or statements made on the container or label.**

1. The federal Consumer Product Safety Act protects

**you from unreasonable risk of injury while using consumer products sold in interstate commerce.**