

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
<i>Cancel the contract</i>	<i>Cancel the contract</i>
<i>Bring a claim against the seller for the return of money that was paid</i>	<i>Withhold delivery of goods</i>
<i>Bring a claim against the seller for the difference between the agreed price and the market price.</i>	<i>Stop delivery of any goods held by a carrier</i>
<i>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.</i>	<i>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.</i>
<i>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.</i>	<i>If the goods cannot be resold, bring a claim against the buyer for the difference between the agreed price and the market price</i>
<i>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.</i>	<i>Bring a claim against the buyer for the price of any goods that the buyer accepts.</i>
<i>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.</i>	

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

Either the buyer or seller may cancel the contract.

2. 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.

3. 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**
2. An implied warranty is a guarantee of quality imposed by **Law**
3. 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.**
4. The cooling-off rule gives you three business days to **cancel a transaction made away from a seller's regular place of business.**
5. 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.**
6. The telemarketing sales rule protects you from **abusive people who try to sell products by phone.**
7. A warranty in the form of an actual sample of a product would be **an expressed warranty.**
8. 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.**
9. To be merchantable, goods must be adequately contained, **packaged, and labeled, and conform to any promises or statements made on the container or label.**
10. The federal Consumer Product Safety Act protects **you from unreasonable risk of injury while using consumer products sold in interstate commerce.**