**UNIT 9 MIDTERM REVISION**

1. **READING. Choose the correct answer (1-10) according to the passage.**

In a transaction involving the sale of personal property, it is crucial for both the buyer and seller to understand their respective rights and responsibilities. When the seller transfers the legal right of ownership, known as the “title,” the buyer then has the authority to control, possess, and utilize the items purchased.

However, if there are any defects in the title—such as undisclosed liens or competing ownership claims—the buyer may face legal issues. To minimize such risks, the seller may provide a warranty of title, which ensures the buyer receives clear and undisputed ownership. Additionally, sales contracts may include disclaimers, which are statements that exclude certain obligations or promises. This allows the seller to limit their responsibility for defects or imperfections.

1. **What is transferred to the buyer in a sale of goods transaction?**a) The obligation to maintain the goods.  
   b) The right to use and possess the goods.   
   c) The risk of loss and title to the goods.  
   d) The authority to set the price of the goods.
2. **What issue can arise if there is a defect in the title?**a) The goods will lose value.  
   b) The buyer may not be able to use the goods.  
   c) The buyer could encounter legal claims against ownership.   
   d) The seller is liable for property damage.
3. **Why would a seller include a disclaimer in a sales contract?**   
   a) To enhance the value of the product.  
   b) To exclude or limit certain legal obligations.   
   c) To increase their profit margin.  
   d) To provide additional warranties.
4. **What does a warranty of title ensure?**   
   a) The product is of high quality.  
   b) The seller has the right to sell the product and the buyer receives clear ownership.   
   c) The product has no physical defects.  
   d) The seller will repair any damages.
5. **How does a disclaimer function in a sales contract?**   
   a) It guarantees the quality of the goods.  
   b) It shifts ownership to the buyer.  
   c) It restricts or excludes certain promises or obligations.   
   d) It increases the buyer’s liabilities.
6. **The legal right of ownership, also called “title,” gives the buyer the authority to possess and use the purchased items.**  
   **a)True  
   b)False**
7. **Defects in the title, such as undisclosed liens or ownership disputes, do not affect the buyer’s ability to use the goods legally.**  
   **a)True  
   b)False**
8. **A warranty of title assures that the buyer receives ownership of the goods free from any legal claims or disputes.**  
   **a)True  
   b)False**
9. **Including disclaimers in sales contracts is a method for the seller to avoid or limit certain liabilities related to product defects.  
   a)True  
   b)False**
10. **Sellers are always required to provide a warranty of title in every sales contract to guarantee ownership rights.**  
    **a)True  
    b)False**
11. **VOCABULARY. Choose the correct answer. (11-15)**

In a sales contract, the **(11) ………** means that the seller gives ownership of a **(12)………** (like a car or furniture) to the buyer. The seller, also called the **(13) ………**, must make sure that the goods are fit for their usual purpose, which is known as **(14) ………**. If the vendor is a person who **(15) …….** them.

1. a) warranties b) contracts c) transfer of title d) good faith
2. a) delivery b) title and risk c) premises d) tangible chattel
3. a) solvency b) vendor c) value d) consumer
4. a) merchantability b) buyer c) recover d) exclude
5. a) retains b) specifies c) deals in d) suits
6. **In which sentence is the preposition used correctly?**  
   a) The seller is required to confer a proprietary interest on the buyer once the payment is made.  
   b) The trustee must to hold part of the proceeds of trust for the beneficiaries.  
   c) The agreement allows the buyer to have priority over any other claims made against the property.  
   d) It is essential to draw a distinction with trusts and charges in the contract.
7. **If a buyer is asked to sign a waiver 'prior to receipt', when should they sign it?**  
   a) After receiving the goods.  
   b) At the time of delivery.  
   c) Before they receive the goods.   
   d) Anytime during the contract period.
8. **What does it mean to 'hold harmless' someone in a contract?**  
   a) To provide additional services at no cost.  
   b) To secure them against future loss or damage.   
   c) To increase their liability in the contract.  
   d) To allow them to break the contract without penalty.
9. **GENERAL QUESTIONS. Choose the correct answer (16-20)**
10. **If there is a dispute \_\_\_\_ the contract, it will be resolved \_\_\_\_ accordance \_\_\_\_ the arbitration rules.**a) of, by, withb) in, in, with c) under, by, ofd) for, in, with
11. “The furniture company included a **………….** in the agreement, which meant that even though the customer took the sofas home, the company still owned them until the final installment was paid.” **Which clause is more suitable for this situation?**a) Retention of title clause; allows seller to retain ownership of the goods sold until the buyer has fully paid the purchase price.   
    b) Changes or cancellation clause; governing modifications by the purchase and termination of any orders placed.  
    c) Warranties clause; terms and conditions regarding seller and liability, often matters related to notice of defects and disclaimers are included.d) Claims and credit clause; governing the time and manner of any complaints by the purchaser regarding the goods.
12. A buyer purchased a new washing machine with a warranty stating that it would function properly for two years. However, the machine stopped working after only six months due to a motor defect. **What kind of warranty occurs here?**a) Implied warranty  
    b) Warranty of merchantability  
    c) Breach of warranty +d) Warranty of title
13. **A disclaimer is a statement of non-responsibility under given circumstances. According to this definition, which is NOT a disclaimer?**a) “The seller is not responsible for any damage caused by improper use of the product.”  
    b) “The seller provides a lifetime guarantee on the quality of the product.”   
    c) “The manufacturer is not liable for any injury resulting from unauthorized repairs.”  
    d) “The service provider disclaims any warranty of fitness for a particular purpose.”
14. **Which word has no match (synonym) with the words below?**

In a sales contract, a warranty is a promise made by the seller regarding the quality and performance of the goods. The warranty of **(1) merchantability** ensures that the products sold are fit for their ordinary purpose and meet the expected standards of quality. However, the seller may state that, **(2) in no event** shall they be liable for any damages **(3) arising out of** improper use or handling of the goods by the buyer, thereby limiting their liability for issues that are not directly related to the warranty.  
  
a) restriction  
b) for no reason  
c) resulting from  
d) acceptable quality

1. Emma buys a coffee machine from BrewTech Appliances. The contract includes the following terms:

* Warranty: The machine must operate correctly for one year and match the advertised specifications for brewing capacity and features.
* Return Policy: Customers can return the machine within 30 days if it does not work as promised.

After using the coffee machine for two weeks, Emma finds that it does not brew at the specified capacity and often shuts off unexpectedly. She decides to return it to the store.

**Based on the contract terms, what should happen next?**

a) Emma must keep the machine because it is still usable.  
b) BrewTech Appliances must refund or replace the machine because it did not meet the specifications.  
c) Emma can only get store credit for the machine.  
d) BrewTech Appliances is not responsible because the machine was on sale.

**25. Match each phrase with the correct section of a legal case brief.**

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| Phrases 1.The court held that the evidence was insufficient. 2. The issue in this case is whether the defendant acted negligently. 3. The court noted that the law requires a reasonable standard of care. 4.The facts of the case indicate that the plaintiff was harmed. |
| Sections A. Facts of the Case B. Reasoning of the Court C. Legal Issues D. Ruling of the Court |

a) 1-D// 2-C // 3- B // 4-A  
b) 1-B// 2-C// 3-A // 4-D  
c) 1- D// 2- B // 3-D // 4- A  
d) 1- A// 2-D// 3-B// 4-C