

CHAPTER

13

How Contracts Come to an End

Legal Terms

In the Answer column, write the word or phrase that best completes each of the following statements.

Answer

- | | |
|---|-----------|
| 1. When contracts end, they are said to be _____. | 1. _____ |
| 2. When one contract is substituted for another it is known as _____. | 2. _____ |
| 3. A law that specifies the length of time within which a legal action may be brought is called a(n) _____. | 3. _____ |
| 4. An agreement under which both parties voluntarily terminate their contract is known as a(n) _____. | 4. _____ |
| 5. A(n) _____ is an offer to do what you have agreed to do under a contract. | 5. _____ |
| 6. A(n) _____ is a period of time that is suitable in light of the objective. | 6. _____ |
| 7. Most contracts are discharged by _____ when the parties fulfill the terms of the agreement. | 7. _____ |
| 8. When all the terms of a contract have been fulfilled properly and fully there is _____. | 8. _____ |
| 9. U.S. currency is also known as _____. | 9. _____ |
| 10. When a party to a contract has done everything except minor things there is _____. | 10. _____ |

Key Points in Your Reading

Indicate whether each of the following statements is true or false by circling T or F in the Answer column.

Answer

- | | |
|---|---------|
| 1. Most contracts are discharged by both parties doing what they have agreed to do. | 1. T F |
| 2. If the parties specify a time for performance in the contract, the court will not allow a longer time for its performance. | 2. T F |
| 3. If the parties specify that time is of the essence, the court will enforce the time period. | 3. T F |
| 4. The reasonable person test refers to a reasonable time for performance. | 4. T F |
| 5. Some contracts may be terminated by substantial performance. | 5. T F |
| 6. Tender of performance means an offer to do what you have agreed to do under a contract. | 6. T F |
| 7. Persons who are obligated to pay money are excused from paying if their tender of payment is rejected. | 7. T F |
| 8. Contracts may be terminated by mutual release. | 8. T F |
| 9. In an accord and satisfaction, the promise to accept is the accord. | 9. T F |
| 10. Neither death nor illness will discharge a personal service contract. | 10. T F |