

CHAPTER

16

The Importance of Warranties

Legal Terms

In the Answer column, write the identifying letter of the word or phrase in Column I that best completes each statement in Column II.

Column I	Column II	Answer
a. express warranty	1. A(n) _____ is a warranty in which a defective product will be fixed or replaced free within a reasonable time after a complaint has been made about it.	1. _____
b. full warranty	2. The word _____ is often used in place of warranty.	2. _____
c. guarantee	3. An oral or written guarantee by a manufacturer or a seller is a(n) _____.	3. _____
d. implied warranty	4. A(n) _____ is a guarantee of quality that is imposed by law in particular kinds of transactions.	4. _____
e. limited warranty	5. A warranty that the title being conveyed is good and that the transfer is rightful is a(n) _____.	5. _____
f. merchantable	6. A(n) _____ is a guarantee of quality that comes from statements and promises made by the seller, descriptions of the goods, and the showing of samples and models.	6. _____
g. warranty of fitness for a particular purpose	7. A warranty that is given only by someone who is a merchant is a(n) _____.	7. _____
h. warranty	8. When the seller advises the buyer in making a purchase, and the buyer relies on the seller's knowledge and advice when making the purchase, (a) _____ is created.	8. _____
i. warranty of merchantability	9. Goods that pass without objection, are fit for their ordinary purpose, adequately contained, and conform to statements made on the label are said to be _____.	9. _____
j. warranty of title	10. A(n) _____ is a warranty that provides less than what is provided by a full warranty.	10. _____

Key Points in Your Reading

Answer each of the following questions by circling Yes or No in the Answer column.

	Answer
1. Is an express warranty created whenever anyone sells goods and makes a statement of fact or promise about them?	1. Yes No
2. May the term <i>guarantee</i> be used in place of <i>warranty</i> in ordinary usage?	2. Yes No
3. Are the representations of the seller used to induce one to buy called <i>warranties</i> ?	3. Yes No
4. Must an express warranty always be in writing?	4. Yes No
5. Must a written warranty on a \$35 camera be labeled either "full" or "limited"?	5. Yes No
6. Is an implied warranty stated in writing?	6. Yes No
7. Does a warranty of fitness for a particular purpose occur when the buyer relies on the seller's knowledge and advice in selecting the goods?	7. Yes No