

Chapter 8: Genuine Agreement
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Genuine Agreement "A Meeting of the Minds"

Purpose of Chapter: Even though after an offer has been met by an acceptance sometimes something goes wrong and what seems to be a valid contract is considered a defective agreement. These defects can be intentional or unintentional and include mistake, fraud, misrepresentation, duress, economic duress, and undue influence.

Directions: Using your textbook, define the following terms, in your own words, and relate the examples provided in the chapter to each term. **Be sure to explain whether each of the following can void a contract or not.**

I. Mistake _____

A. Unilateral Mistake _____

example 1. (page 106) _____

1. Mistake as to the Nature of the Agreement _____

example 2. (page 107) _____

2. Mistake as to the Identity of a Party _____

example 3. (page 107) _____

exception- dealing face to face _____

B. Bilateral Mistake _____

1. Mistake as to the Possibility of Performance _____

example 4. (page 107) _____

2. Mistake as to the Subject Matter _____

example 5. (page 108) _____

II. Fraud

*fraud: _____

*recind: _____

*What is punitive damages? Why can a person collect punitive damages in a fraud suit? _____

example 6 (page 108) _____

To succeed in a fraud lawsuit one must prove: _____

A. False Representation of Fact

1. Material fact _____

example 7 (page 108) _____

Are the statements made in example 7 considered material fact in proving fraud? Why? _____

2. Concealment _____

Why would the events in example 8 be considered fraudulent? Why? _____

B. Representation Known to be False _____

C. False Representation Intended to be Relied Upon _____

example (your own) _____

D. False Representation Actually Relied Upon _____

E. Resulting Loss _____

III. Innocent Misrepresentation _____

Can a person collect punitive damages from innocent misrepresentation? Why? _____

IV. Duress _____

Economic Duress _____

Can a contract made under duress be voidable? Why? _____

V. Undue Influence _____

example 13 (page 112) _____
