THEMIS CONTRACTS PRACTICE EXAM (SAMPLE)

STUDY GUIDE

Prepare with structure. Pass with confidence

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

Questions

1. **Fraud in the factum (fraud in the execution) occurs when the fraudulent misrepresentation prevents a party from knowing the character or essential terms of the transaction. What is the effect?**

   A. No contract is formed, and the apparent contract is VOID.

   B. The contract is voidable.

   C. The contract is enforceable despite misrepresentation.

   D. The contract is partially void.

2. **Under the UCC parol evidence rule, which extrinsic evidence has priority in interpreting a contract for the sale of goods?**

   A. Course of performance - sequence of conduct relevant to understanding the current transaction between the parties if (1) the agreement involves repeated occasions for performance by a party and (2) the other party accepts performance without objection

   B. Course of dealing - sequence of conduct concerning previous transactions between the parties that establishes a common basis of understanding for interpreting their conduct

   C. Trade usage - any practice or method of dealing in the parties' business or industry that is practiced with enough regularity to justify an expectation that it will be practiced in the instant case

   D. There is no extrinsic evidence allowed to explain or supplement terms

3. **When is specific performance available as a contract remedy, and what factors do courts consider?**

   A. Available only when monetary damages are adequate and the subject matter is common.

   B. Available whenever the plaintiff desires it.

   C. Available when monetary damages are inadequate and the subject matter is unique; courts consider feasibility, enforceability, and the seller's ability to complete.

   D. Available for any contract without consideration.

4. **When is the warranty of fitness for a particular purpose implied, and how must its disclaimer be made?**

   A. The warranty is implied whenever the seller has reason to know that the buyer has a particular use for the goods and relies on the seller's skill to select the goods; a disclaimer must be in writing and be conspicuous.

   B. The warranty is implied only if the buyer asks for it.

   C. No disclaimer is allowed for this warranty.

   D. The disclaimer must be oral.

5. A construction company contracted to purchase 100 windows in four equal shipments; They paid one-fourth with each delivery; The manufacturer demanded full payment before further shipments on June 1. Which statement is true?

A. The company must pay one-fourth upon each delivery.

B. The company has no duty to pay until final delivery.

C. The company must pay the entire remainder now.

D. The manufacturer waived its right by failing to demand earlier.

6. To satisfy the Statute of Frauds, which of the following is FALSE with respect to a sale of goods?

A. The writing need not be the contract itself.

B. The writing need only be signed by the party against whom enforcement is sought.

C. The writing must contain the price of the goods.

D. The writing must contain a quantity of goods sold.

7. When does delegation not discharge the delegator's liability, and what risk does delegation pose to the obligee?

A. Delegation always discharges the delegator from liability.

B. Delegation never discharges liability; the delegate bears all risk.

C. Delegation discharges liability only if the delegate completes the performance.

D. Delegation does not discharge liability unless the other party agrees to release; the obligee may sue the delegator if the delegate fails to perform.

8. A mechanic completes tractor repairs for $2,000. The farmer pays $1,000 and promises to pay the remaining $1,000 by June 1 if the mechanic agrees not to sue. The farmer's promise lacks consideration because the mechanic had a preexisting duty. Which option is correct?

A. Yes, because forbearance to sue is always consideration.

B. No, because there is no new consideration to support the promise.

C. Yes, because the farmer's promise to pay later is consideration.

D. No, because modification can be valid without consideration.

9. Which subject matter is most commonly associated with specific performance?

A. Real estate.

B. Common household goods.

C. Non-unique generic products.

D. Intangible services.

10. Contract terms that limit or exclude consequential damages are generally enforceable unless what?

A. They are illegal.

B. The limitation is unconscionable.

C. They are not in writing.

D. They cannot be modified.

Answers

1. A
2. A
3. C
4. A
5. A
6. C
7. D
8. B
9. A
10. B

Explanations

1. **Fraud in the factum (fraud in the execution) occurs when the fraudulent misrepresentation prevents a party from knowing the character or essential terms of the transaction. What is the effect?**

   A. <u>No contract is formed, and the apparent contract is VOID.</u>

   B. The contract is voidable.

   C. The contract is enforceable despite misrepresentation.

   D. The contract is partially void.

Fraud in the factum targets the very nature of the document being signed. When the misrepresentation is about what the document is—its character or essential terms—the signer has not understood or intended to enter into a contract at all. Because there was no genuine assent to the instrument, no contract is formed; the apparent contract is void from the start (void ab initio). Think of it like signing a deed thinking it's a simple receipt. The fraud prevented you from knowing you were signing a contract, so there's no binding agreement to enforce. If the misrepresentation were about terms while you knew you were signing a contract, the result would typically be voidable, not void. The other options imply some continuing obligation or enforceability, which isn't consistent with fraud that conceals the document's nature.

2. **Under the UCC parol evidence rule, which extrinsic evidence has priority in interpreting a contract for the sale of goods?**

   A. <u>Course of performance - sequence of conduct relevant to understanding the current transaction between the parties if (1) the agreement involves repeated occasions for performance by a party and (2) the other party accepts performance without objection</u>

   B. Course of dealing - sequence of conduct concerning previous transactions between the parties that establishes a common basis of understanding for interpreting their conduct

   C. Trade usage - any practice or method of dealing in the parties' business or industry that is practiced with enough regularity to justify an expectation that it will be practiced in the instant case

   D. There is no extrinsic evidence allowed to explain or supplement terms

Under the UCC, when interpreting a contract for the sale of goods, extrinsic evidence is weighted by priority, with the highest emphasis on what actually happened under the current contract. Course of performance—the sequence of conduct in this very transaction, especially when there are repeated performances and the other party accepts without objection—shows how the parties understood and carried out their obligations, so it most strongly informs meaning. If that doesn't settle the interpretation, the next source is course of dealing, which looks to prior transactions between the same parties to establish a common basis for understanding. After that comes trade usage, reflecting industry practices that are regular enough to expect in the case at hand. The idea that no extrinsic evidence can be used is incorrect, because the UCC expressly allows these sources to interpret terms, with course of performance taking priority over the others.

3. When is specific performance available as a contract remedy, and what factors do courts consider?

A. Available only when monetary damages are adequate and the subject matter is common.

B. Available whenever the plaintiff desires it.

C. Available when monetary damages are inadequate and the subject matter is unique; courts consider feasibility, enforceability, and the seller's ability to complete.

D. Available for any contract without consideration.

Specific performance is an equitable remedy used when money damages wouldn't adequately compensate for breaching a contract. It's typically available only when the subject matter is unique or irreplaceable—like real estate or a one-of-a-kind item—so that a monetary award cannot truly substitute for obtaining the exact thing promised. Courts grant it only if ordering performance can be practically enforced. They ask: is it feasible to supervise or compel the actual delivery or transfer? Is the obligation enforceable in a way that won't require ongoing, intrusive control? Is the party who must perform able to complete the transaction (for example, can the seller convey title and deliver, without insurmountable obstacles)? If these questions aren't satisfied—such as when performance would be impossible, or the contract calls for ongoing personal services that courts can't or shouldn't compel—specific performance won't be ordered. That's why the best answer emphasizes that specific performance arises where damages are inadequate and the subject matter is unique, with courts weighing feasibility, enforceability, and the seller's ability to complete the transaction.

4. When is the warranty of fitness for a particular purpose implied, and how must its disclaimer be made?

A. The warranty is implied whenever the seller has reason to know that the buyer has a particular use for the goods and relies on the seller's skill to select the goods; a disclaimer must be in writing and be conspicuous.

B. The warranty is implied only if the buyer asks for it.

C. No disclaimer is allowed for this warranty.

D. The disclaimer must be oral.

The main idea is that a seller can impose an implied warranty of fitness for a particular purpose when they know the buyer has a specific use for the goods and the buyer relies on the seller's expertise to choose suitable goods. If the seller knows the buyer's purpose and that the buyer will rely on their skill, the goods must be fit for that purpose, even without an explicit promise. To limit or exclude this warranty, any disclaimer must be in writing and conspicuous, so it stands out to the buyer. Oral disclaimers don't meet this requirement, and a vague or unclear disclaimer wouldn't suffice. This reflects the balance between implied assurances based on the seller's knowledge and the buyer's reliance, and the need for a clear, visible written disclaimer to override those protections.

5. A construction company contracted to purchase 100 windows in four equal shipments; They paid one-fourth with each delivery; The manufacturer demanded full payment before further shipments on June 1. Which statement is true?

A. The company must pay one-fourth upon each delivery.

B. The company has no duty to pay until final delivery.

C. The company must pay the entire remainder now.

D. The manufacturer waived its right by failing to demand earlier.

Installment contracts lead to payment as shipments occur. Here, the four equal shipments come with the understanding that each delivery triggers a payment of one-fourth of the total price. Because the contract specifies payment per delivery, the buyer's obligation remains to pay one-fourth with each shipment. The manufacturer's demand to pay the entire remaining balance before any further shipments would be an acceleration of payment beyond what the contract provides unless the parties agreed to that change or the buyer breached. A seller's failure to demand payment earlier does not by itself waive the right to require payment per installment. So the correct statement is that the company must pay one-fourth upon each delivery.

6. To satisfy the Statute of Frauds, which of the following is FALSE with respect to a sale of goods?

A. The writing need not be the contract itself.

B. The writing need only be signed by the party against whom enforcement is sought.

C. The writing must contain the price of the goods.

D. The writing must contain a quantity of goods sold.

In contracts for the sale of goods, the writing requirement under the Statute of Frauds is focused on identifying the goods and the quantity, and it must be signed by the party to be charged. The writing need not be the contract itself; a purchase order, an emailed confirmation, or a signed letter can satisfy the writing if it demonstrates there is a contract for the sale of goods, who is bound, and what is being bought. The quantity of goods sold must be stated in the writing, which is essential to enforceability. What the writing does not have to include is the price. The price term can be missing, with price to be determined later or by a reasonable price at delivery under the open-price term rule. Therefore, the statement that the writing must contain the price is not required and is the false option.

7. When does delegation not discharge the delegator's liability, and what risk does delegation pose to the obligee?

A. Delegation always discharges the delegator from liability.

B. Delegation never discharges liability; the delegate bears all risk.

C. Delegation discharges liability only if the delegate completes the performance.

D. Delegation does not discharge liability unless the other party agrees to release; the obligee may sue the delegator if the delegate fails to perform.

Delegation of performance doesn't automatically cut the original party loose from liability. The obligor remains legally on the hook unless the other party to the contract (the obligee) agrees to release them or a new agreement (novation) replaces the old one. So, if the delegate fails to perform, the obligee can sue the original obligor for breach. The risk to the obligee is that, even though a third party is handling the work, the original party can still be held responsible, and remedies must be sought from that party rather than the delegate unless there's a release or novation.

8. A mechanic completes tractor repairs for $2,000. The farmer pays $1,000 and promises to pay the remaining $1,000 by June 1 if the mechanic agrees not to sue. The farmer's promise lacks consideration because the mechanic had a preexisting duty. Which option is correct?

A. Yes, because forbearance to sue is always consideration.

B. No, because there is no new consideration to support the promise.

C. Yes, because the farmer's promise to pay later is consideration.

D. No, because modification can be valid without consideration.

Consideration is the bargained-for exchange that makes a promise enforceable. Forbearance to sue can count as consideration only if there is a genuine dispute about the claim or some new value exchanged beyond what was already owed. Here, the farmer wants to pay the remaining $1,000 by delaying payment in exchange for the mechanic not to sue. The mechanic had a preexisting duty to complete the repairs, and the full amount owed ($2,000) is not in dispute—the agreement from the start was to pay for the work already done. Since there is no new bargain or additional consideration beyond the original obligation, the promise not to sue lacks consideration. Therefore the farmer's promise to pay later isn't enforceable as a separate agreement, and the original contract remains the basis for payment.

9. Which subject matter is most commonly associated with specific performance?

A. Real estate.

B. Common household goods.

C. Non-unique generic products.

D. Intangible services.

Specific performance is a court-ordered remedy used when money damages wouldn't put the injured party in the position they would have been in had the contract been performed. Real estate fits that scenario because land is unique—no two parcels are exactly alike—and you can't simply substitute one property for another with the same terms. Because of this uniqueness, monetary damages are often an inadequate remedy, so courts frequently compel the seller to transfer title or the buyer to complete the purchase. By contrast, common household goods and non-unique generic products are fungible—there are plenty of substitutes—so damages are usually sufficient. Intangible services raise practical and policy concerns about forcing personal labor, so specific performance is rarely available for pure service contracts. In short, real estate is the subject matter most closely tied to specific performance.

10. Contract terms that limit or exclude consequential damages are generally enforceable unless what?

A. They are illegal.

B. The limitation is unconscionable.

C. They are not in writing.

D. They cannot be modified.

Limiting or excluding consequential damages is generally enforceable because parties can allocate risk in a contract. The key exception is unconscionability: if the term is unreasonably harsh or was imposed in a way that leaves one party with no meaningful choice, a court may refuse to enforce it. Unconscionability has two sides—procedural (how the term was presented, whether there was meaningful negotiation) and substantive (the term itself is unfair or overly favorable to one side). When a damages cap or exclusion creates a stark, one-sided imbalance and the weaker party had little to no bargaining power, it can be deemed unenforceable. Other issues like illegality, writing requirements, or the ability to modify the clause are separate concerns and do not automatically render a damages limitation unenforceable.

Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://themiscontracts.examzify.com

We wish you the very best on your exam journey. You've got this!