

MINORS & CONTRACTS

Use what you know about contract law and the element of capacity to analyze each of the cases below.

1 Dan, who is 17 years old but looks like 20 years old, signs a contract for a \$1,000 stereo system from Cascade Stereo. The contract requires him to put \$300 down and pay \$50 monthly. He puts his \$300 down and after two weeks decides he wants out of the contract. Under contract law, can he legally do this? Why or why not?

2 Terry, who is 16, enrolls in XYZ Vocational School. She borrows \$2,000 from a bank to go to school. The bank has a written statement from XYZ Vocational School that Terry is enrolled. Two months later, Terry wants to drop out of school and get out of repaying her loan. Under contract law, can she legally do this? Why or why not?

3 Judy, who is 13, ran away from home and took her mother's credit card. She had no food or place to stay. She paid for a motel and some food with the credit card. Now, she wants to get out of these contracts. Under contract law, can she do this and get a refund from the motel and stores where she bought the food? Why or why not?

4 Tony buys a used car for his 17th birthday from Al's used car lot. Tony needs the car to get to his after-school job. After three months of use, Tony decides he wants to get out of the contract, return the car, and get his money back. Under contract law, can he do that? Why or why not?

5 George, at 17, buys a used car on credit, agreeing to pay \$50 each month for three years. When he turns 19, two years after signing the contract for the car, he decides to get out of the contract and get his money back. Under contract law, can he do that? Why or why not?

6 Miriam, who is 17, set up her own business making t-shirts. She took and filled many orders for sets of t-shirts. She now wants to get out of the contracts she hasn't filled because she has spent the money on other things and doesn't have enough money to produce the t-shirts. Under contract law, can she do that? Why or why not?

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7

Juan enlists in the Army at the age of seventeen. After two weeks of boot camp, he decided he didn't like the lifestyle. So he told the Army he was disaffirming his contract to join. Under contract law, will he succeed? Why or why not?

8

On her 16th birthday, Jaymie bought a used car from Allen for \$6000 cash. Jaymie comes from a middle-class family and uses the car to drive to and from school. She could take the bus to school, but it is more fun to drive. She also drives her friends on errands and takes occasional short trips out of town for fun. Six months after buying the car, the crankshaft in the engine broke. The cost of a new engine would have been about \$3200, so Jaymie decided to disaffirm the contract to purchase the car. Under contract law, can she legally do this? Why or why not?

9

Richard bought car insurance when he was 16. He had a perfect driving record until he reached the age of majority. The day after his birthday, Richard disaffirmed the insurance contract and asked for the return of his payments. Under contract law, is he legally entitled to the money? Why or why not?

10

Linda subscribed to a "Book of the Month Club" on her sixteenth birthday. She received monthly books from the publisher until her eighteenth birthday. She continued receiving books for another six months, then attempted to disaffirm. Under contract law, will she succeed? Why or why not?