Sample Exam Question #2

Your neighbor, Justin Thyme, comes to you for some friendly advice about a problem he is having with Debbie Little, who owns a vintage Volkswagen dealership. Justin, who collects Volkswagens as a hobby, made a “handshake deal” with Debbie to purchase four 1966 Volkswagen Beetles for $5,000 each. Debbie and Justin agreed that Justin could pick up the cars at any time in the next 30 days, and that payment for each car would be due when he picked the car up from Debbie’s lot.

The day after Justin and Debbie made their deal, Debbie sent Justin a signed letter purporting to confirm their oral agreement. Debbie’s letter, however, described the agreement as the sale of two 1966 Volkswagen Beetles for $7,500 each. After receiving the letter, Justin tried for two weeks to reach Debbie to clear up the matter, but she was out of town on vacation. When Justin finally reached Debbie, she insisted that the terms of the letter were the only ones on which she would agree – even though Justin told her that his friend Magda, who went with him to Debbie’s dealership the day the Justin and Debbie made their oral agreement, overheard their agreement and would testify that Debbie had agreed to sell Justin four 1966 Beetles for $5,000 each, not two cars for $7,500 each.

If Justin sues Debbie for breach of contract:

A. Should Justin’s and Magda’s testimony regarding the terms of the oral agreement be admissible despite the signed writing? Please explain.

B. How many Beetles should Justin be able to prove he is entitled to purchase from Debbie, and at what price per car? Please explain.