

CHAPTER**9****Capacity to Contract****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. alien	1. A person is no longer a minor when he or she reaches the age of _____.	1. _____
b. capacity	2. Minors may avoid or _____ their contracts if they choose.	2. _____
c. disaffirm	3. Minors are held responsible for the fair value of _____.	3. _____
d. guardian	4. A person who looks after the affairs of an incompetent person is a(n) _____.	4. _____
e. infancy	5. Incompetent persons lack the _____ to contract.	5. _____
f. majority	6. A person who has not reached the age of majority is a(n) _____.	6. _____
g. minor	7. In legal terms minority is the same as _____.	7. _____
h. minority	8. A person who is living in this country but owes allegiance to another country is called a(n) _____.	8. _____
i. necessities	9. Minors may approve or _____ their contracts if they choose.	9. _____
j. ratify	10. A person who has not yet reached his or her eighteenth birthday is still in the age of _____.	10. _____

Key Points in Your Reading

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

	Answer
1. Is it illegal for a minor to enter into a contract?	1. Yes No
2. Does the question of competency to contract apply to minors only?	2. Yes No
3. May a competent adult avoid a contract made with a minor?	3. Yes No
4. May a minor enforce a contract if he or she does not choose to disaffirm?	4. Yes No
5. Can minors be absolutely sure of their contractual capacity without consulting the statutes of their own state?	5. Yes No
6. May a minor be held responsible for his or her contracts to purchase necessities?	6. Yes No
7. May a minor disaffirm a contract without returning the benefits he or she still possesses?	7. Yes No
8. May a minor disaffirm part of a contract and affirm other parts?	8. Yes No
9. Is a contract void when made by a person declared insane by the court and for whom a guardian has been appointed?	9. Yes No
10. Is it possible to enter into a valid contract with a person who is insane but for whom a guardian has not been appointed?	10. Yes No

You're the Judge

For each of the following cases, circle Yes or No to indicate your decision. Then, in your own words, state the legal principle or legal reason that applies to the facts in the case.

Answer

1. Mary Robinson, a 17-year-old high school graduate, applied to Ed Rice for a job and was hired on a one-year contract. Nothing was said about Robinson's age, but when Rice discovered she was only 17, he discharged her. Did Rice have a legal right to do this?

1. Yes No

Legal principle: _____

2. Patty Okari, a 14-year-old, bought a video game at a store. A sign said: "No Returns—All sales final." After using the game for a week, she returned it to the store and asked for a refund. Is she legally entitled to a refund?

2. Yes No

Legal principle: _____

3. Ethel O'Connor bought a CD player on the day before her eighteenth birthday. That same day, she changed her mind and sought to return it and get her money back. She claimed that she could return the purchase because she was a minor. Was she correct?

3. Yes No

Legal principle: _____

4. Peter Frankori had been declared insane by a court, and a guardian was appointed to look after his affairs. He wandered away from the mental institution where he had been placed and contracted to buy a desk, which had to be specially manufactured by the Ross Furniture Co. Frankori's guardian refused to accept the desk when it was delivered a month later. Can the company enforce the sale?

4. Yes No

Legal principle: _____

5. Joe Steinberg, who is 17, bought a tent trailer and hitch from the Leisure Time Co. Later, Steinberg decided that he did not want the tent trailer, but he did want the hitch. May Steinberg disaffirm the contract for one but not the other?

5. Yes No

Legal principle: _____

Legal Application

Assume that you bought an X-701 camera with a 50mm f/1.7 lens from the Slater Camera Co. for \$259.88 when you were 16 years old. You have had the camera seven months, and it does not work properly. When you attempted to return the camera, the sales clerk at the store told you that it was no longer under guarantee. Write a letter to the Slater Camera Co., 122 Ocean Ave., Salem, Massachusetts 01970, disaffirming the contract to buy the camera and asking for the return of the money you paid for it. Use the sample letter disaffirming a contract of a minor shown on page 121 of the textbook as a guide in writing the letter.