

Chapter 4

1. Professional athletes often seek to renegotiate their contracts following a good season. Suppose the team gives in to a player's demand to increase his salary, but then, at the end of the season, refuses to pay the promised bonus. How should the case be decided?
2. Discuss the contract doctrine of unconscionability. What are its advantages and disadvantages from an economic perspective?
3. Ms. Smith often shops at used book stores seeking bargains. Suppose she finds a rare book marked for a dollar and buys it. Did she have an obligation to inform the store owner of his "mistake"? Why or why not?
4. Suppose that a mature, sober, intelligent individual signs a contract that is written in extraordinarily clear English. Later, he asks to be discharged from performance because he is an immigrant and his native language is not English. Does he have a good legal argument?
5. What is the economic rationale for freedom of contract? Why does the law sometimes interfere with this freedom, for example by making certain contracts illegal or unenforceable?
6. Define the concept of "consideration" and explain its economic function. Does it make sense that courts do not typically examine its adequacy as a basis for an enforceable contract?
7. Surrogate motherhood is a contractual sale of a woman's reproductive capacity to someone else. Such contracts, however, are not universally enforceable. Can you think of reasons why they should be, or why they should not be?