

UNIT 1

1. Where will you find the definition of a contract of sale of goods?

- Common law
- Section 2(1) of the Sale of Goods Act 1979
- It has not been specifically defined
- Aldridge v Johnson* (1857) 7 E&B 885

2. With a contract of sale, when will the property in the goods be transferred from the seller to the buyer?

- As soon as the goods have been paid for
- As soon as the goods have been delivered
- As soon as the contract is made
- As soon as possible

3. What is meant by the term "specific goods"?

- Specific goods are goods that are identified and agreed upon at the time a contract of sale is made. Type option here
- Specific goods are goods that have been specifically made to fulfil the buyer's order.
- Specific goods are goods that have a specific (rather than a general) use.
- Specific goods are goods that the seller has had to order specifically for the buyer.

4. What are "unascertained goods"?

- Unascertained goods are goods that need to be specifically ordered
- Unascertained goods are goods that have not been paid for when the contract is made.
- Unascertained goods are goods that are not usually stocked by the seller and are therefore unusual.
- Unascertained goods are in effect all goods that are not specific.

5. What are "existing goods"?

- Existing goods are goods that the seller has left over from a previous sale.
- Existing goods are goods that are either owned or possessed by the seller.
- Existing goods are goods that the seller knows exist but needs to order them specifically for the buyer.
- Existing goods are goods that have already been manufactured and therefore exist.

6. What are "future goods"?

- Future goods are goods that the seller needs to order specifically to fulfil the contract of sale.

- Future goods are goods that the buyer does not take with him/her at the time of purchase but are to be delivered at a future time.
- Future goods are goods to be manufactured or acquired by the seller after the making of the contract of sale.
- Future goods are goods sold on credit which the buyer can pay for in the future.

7. In which statute will you find the implied terms for contracts for the hire of goods?

- Supply of Goods and Services Act 1982.
- Sale of Goods Act 1979.
- Supply of Goods (Implied Terms) Act 1973.
- None of the above. A contract for the hire of goods is governed by common law.

8. In which statute will you find the implied terms for contracts for the supply of a service?

- Sale of Goods Act 1979
- Sale of Goods Act 1979, but only if the service is incidental to the supply of goods
- Supply of Goods and Services Act 1982
- None of the above. A contract for the supply of a service is governed by common law

9. Why aren't the implied terms for contracts of exchange or barter contained in the Sale of Goods Act 1979?

- Because the Sale of Goods Act 1979 only applies where section 2(1) is satisfied which it is not in such contracts
- Because there is no consideration in such contracts
- Because contracts of exchange or barter were not recognised in English law until after 1979
- They are

10. Why aren't the implied terms for contracts of hire-purchase contained in the Sale of Goods Act 1979?

- They are
- They are, but only if the hire purchase agreement is signed on the supplier's premises
- They are, but only if the payments are paid by money
- Because there is no obligation by the hirer of the goods to purchase them. Therefore, there is no obligation to transfer property in them. Consequently, section 2(1) of the Sale of Goods Act 1979 is not satisfied

UNIT 2

1. The terms implied in the Sale of Goods Act 1979 are:

- Warranties
- Conditions
- Innominate terms
- Either warranties or conditions depending on the section in question
- Either warranties or conditions depending on the seriousness of the breach

2. Where will you find the definition of "sale by description"?

- In section 13 of the Sale of Goods Act 1979
- In section 14 of the Sale of Goods Act 1979
- In section 61(1) of the Sale of Goods Act 1979
- It is not defined in the Sale of Goods Act 1979. The common law has given guidance as to its meaning

3. Which one of the following statements is correct?

- The terms implied in the Sale of Goods Act 1979 apply only where the seller sells the goods in the course of a business.
- The terms implied in the Sale of Goods Act 1979 apply irrespective of whether the seller sells the goods in the course of a business.
- Sections 14(2) and (3) apply only where the seller sells the goods in the course of a business. Sections 12, 13 and 15 apply irrespective of the status of the seller.
- The terms implied in the Sale of Goods Act 1979 apply only where the buyer is a consumer.

4. The seller must either own the goods or at least acquire title in them before transferring them to the buyer. True or False?

- True
- False
- It depends on whether or not the goods are 'specific' or 'unascertained'

5. Why were the sellers in *Niblett Ltd v Confectioners' Materials Co Ltd* [1921] 3 KB 387 in breach of section 12(1) of the Sale of Goods Act 1979?

- Because they did not own the goods
- Because although they owned the goods they had not yet paid for them
- Because the goods were defective
- Because, although they owned the goods, there was a breach of another party's trade mark which meant they had no right to sell them and were in breach of section 12(1) of the Sale of Goods Act 1979

6. Which of the following statements is correct for a claim to succeed under section 13 of the Sale of Goods Act 1979?

- The parties must have expressly agreed that section 13 was to be a term of the contract.
- It must have been within the reasonable contemplation of the parties that the buyer was relying on the description and the buyer must also have placed reliance on the description.
- The seller must sell the goods in the course of his business
- The buyer must stipulate the purpose for which he is buying the goods.

7. Which of the following is the correct statement as to when the implied term as to satisfactory quality applies?

- When the buyer buys the goods in the course of a business
- When a reasonable person would consider the goods to be unsatisfactory
- When the seller sells the goods in the course of a business
- When the goods would not have been of merchantable quality before the change of terminology to satisfactory quality.

8. Which of the following are not aspects of the quality of the goods for the purpose of the Sale of Goods Act 1979?

- Appearance and finish
- Safety
- Freedom from minor defects
- Freedom from all defects

9. Which one of the following statements correctly reflects the meaning of "in the course of a business" as used in the Sale of Goods Act 1979?

- A sale by a business is a sale in the course of a business.
- The purchase must be an integral part of the business.
- The goods purchased are of a kind which the business has bought with some degree of regularity.
- The goods must have been bought with the intention of selling them on for a profit.

10. Which of the following cases provides a helpful statement of the key differences between sections 14(2) and 14(3) of the Sale of Goods Act 1979?

- Rowland v Divall* [1923] 2 KB 500
- Reardon Smith Line Ltd v Hansen-Tangen* [1976] 1 WLR 989
- Jewson Ltd v Kelly* [2003] EWCA Civ 1030
- Microbeads AG v Vinhurst Road Markings Ltd* [1975] 1 WLR 218

11. Which of the following statements correctly summarises the position about the terms to be treated as included in the contract under the Consumer Rights Act 2015?

- They are all conditions
- They are all warranties
- They are all innominate terms
- They are not classified as conditions or warranties

12. Sections 33-47 of the CRA deal with 'digital content'. Which sections of the SGA deal with this type of sale?

- Section 14(2)
- Section 14(3)
- Section 13
- Digital content is not specifically dealt with in the SGA

UNIT 3

1. When is the buyer entitled to take delivery of the goods?

- Unless the parties have agreed otherwise, as soon as the buyer has paid the price, he is entitled to take delivery of the goods whether or not property in them has passed to him.
- Irrespective of any agreement between the parties, as soon as the buyer has paid the price, he is entitled to take delivery of the goods whether or not property in them has passed to him.
- Unless the parties have agreed otherwise, as soon as the buyer has paid the price, he is entitled to take delivery of the goods but only where property in them has passed to him.
- Irrespective of any agreement between the parties, as soon as the buyer has paid the price, he is entitled to take delivery of the goods but only where property in them has passed to him.

2. When will property in unascertained goods pass to the buyer?

- Never. Property in unascertained goods can never pass to the buyer.
- Once they have been paid for
- Not until the goods are ascertained
- Not until the goods are ascertained, but if unascertained for longer than 30 days then property passes immediately

3. What is the primary rule for deciding when property in specific or ascertained goods will transfer to the buyer?

- Rule 1 in section 18 of the Sale of Goods Act 1979
- Rule 2 in section 18 of the Sale of Goods Act 1979
- When the parties intend it to pass
- Whichever Rule in section 18 of the Sale of Goods Act 1979 applies to the case

4. In the case of the transfer of property in unascertained goods, it doesn't matter in which order the statutory rules are applied provided they are applied correctly. Is this statement correct?

- No
- Yes

5. When do goods become ascertained?

- As soon as the contract is made
- When the goods are identified as *the* goods to be used in the performance of the contract
- As soon as they have been delivered to the buyer
- As soon as the buyer pays for them

6. The rules relating to which party bears the risk in the goods depends on whether the buyer deals as a consumer. Is this statement correct?

- Yes
- No

7. When does the risk in the goods transfer to the consumer buyer?

- When they are paid for
- When they are dispatched for delivery
- When they come into the physical possession of the consumer
- When the contract is made

8. When does the risk in the goods transfer to the non-consumer buyer?

- When the contract is made
- Unless otherwise agreed, when the property in the goods is transferred to him
- When they are paid for
- When they are dispatched for delivery

9. Who bears the risk in the goods when delivery has been delayed as a result of the fault of either the non-consumer buyer or the seller?

- The party who is at fault
- The seller
- The buyer
- The buyer, but only if he has paid for the goods

10. Would a case similar to *Re Wait* [1927] 1 Ch 606 be decided the same today? If not, why not?

- Yes
- No, because it has been overruled
- Possibly, but depending on the facts of the case
- No, because of section 20A of the Sale of Goods Act 1979

UNIT 4

1. What is the key purpose of a retention of title clause?

- They can enable a seller to deliver goods to a buyer without the need to carry out an expensive credit check on the buyer.
- They can enable a seller to enter the buyer's premises and take back the goods sold if the buyer fails to pay the price.
- They can enable a seller to deliver goods to a buyer on terms that the seller retains ownership of the goods until the buyer has paid the price.
- Historically they permitted a seller to deliver goods to a buyer on terms that the seller retains ownership of the goods until the buyer has paid the price, but they are of limited value today as the courts rarely uphold such clauses.

2. Is it necessary for the buyer to become insolvent before the seller can invoke a retention of title clause?

- Yes
- No
- Only in the case of specific goods
- Only where the seller sells the goods in the course of a business

3. What does section 19(1) of the Sale of Goods Act 1979 allow a seller to do?

- Recover the goods if the buyer fails to pay for them on time
- Recover the goods if the buyer becomes insolvent
- Reserve the right of disposal of the goods until the buyer pays for the goods
- Reserve the right of disposal of the goods until certain conditions are fulfilled

4. Why might an effective retention of title clause permit the seller to recover the goods sold?

- Because the buyer will have failed to pay for them
- Because the property in the goods sold will not have passed to the buyer
- Because the goods will not have been delivered to the buyer
- It won't

5. In *Tatung (UK) Ltd v Galex Telesure Ltd* (1989) 5 BCC 325, on what ground did Phillips J suggest that *Aluminium Industrie Vaassen BV v Romalpa Aluminium Ltd* [1976] 1 WLR 676 was wrongly decided?

- Because the seller's interest should have been held to be a charge
- Because it was inconsistent with earlier authority
- Because it had been impliedly overruled by subsequent cases
- He didn't

6. Why did the retention of title clause in *Re Peachdart Ltd* [1984] Ch 131 fail?

- Because the clause created an unregistered charge
- Because the goods sold had lost their identity once they had been made into finished items
- Because the buyer eventually paid for the goods
- It didn't

7. Why did the retention of title clause in *Hendy Lennox (Industrial Engines) Ltd v Grahame Puttick Ltd* [1984] 1 WLR 485 succeed?

- Because the court felt that *Re Peachdart Ltd* [1984] Ch 131 had been wrongly decided
- Because there was no chance of the buyer paying for the goods as it was insolvent
- Because the seller had registered the clause as a charge
- Because the finished items could, with relative ease, be dismantled and the goods sold easily identified as those of the seller

8. Why are retention of title clauses not generally regarded as security interests, which are void if not registered?

- Because they are, in the main, not security interests and do not need to be registered
- Because security interests never need registering
- Because the Court of Appeal said so in *Aluminium Industrie Vaassen BV v Romalpa Aluminium Ltd* [1976] 1 WLR 676
- They are security interests and are void if not registered

9. What is the difference (if any) between a simple retention of title clause and an all-liabilities or all-monies clause?

- There is no difference. They are merely different terms for the same thing.
- An all-liabilities or all-monies clause is one that has been expressly agreed by the parties. A retention of title clause is one that is implied by statute.
- Retention of title clauses have been expressly approved by the Court of Appeal in *Aluminium Industrie Vaassen BV v Romalpa Aluminium Ltd* [1976] 1 WLR 676 and therefore will be enforced. All-liabilities or all-monies clauses have had no such approval and are unlikely to be accepted by the courts.
- An all-liabilities or all-monies clause goes further than a simple retention of title clause and provides that a buyer will not get ownership in the goods bought until all monies or liabilities owed to the seller have been satisfied.

10. What should a seller do in circumstances where he needs to assert a continuing property interest in his goods?

- Register the rights under section 859A of the Companies Act 2006
- Ensure that the retention of title clause is carefully drafted and incorporated into the contract of sale

- Ensure that it is brought to the attention of the buyer before the contract is made
- Nothing

UNIT 5

1. What is the difference between exclusion, limitation, and exemption clauses?

- An exclusion clause is where the party to the contract seeks to *exclude* all liability for certain breaches of the contract. A limitation clause is where a party to the contract seeks to *limit* his liability for certain breaches of the contract. An exemption clause is the term used to describe both exclusion and limitation clauses.
- An exclusion clause is where the party to the contract seeks to *exclude* all liability for certain breaches of the contract. A limitation clause is where a party to the contract seeks to *limit* his liability for certain breaches of the contract. An exemption clause is the term used where either an exclusion or limitation clause has been upheld by the court.
- They are all the same and the terms are entirely interchangeable.
- They are all the same but different statutes use different terms.

2. Which one of the following statements is correct?

- The way in which a court will construe both limitation and exclusion clauses will depend on the seriousness of the breach and the extent of the loss sustained.
- The way in which a court will construe both limitation and exclusion clauses will depend on the seriousness of the breach without regard to the extent of the loss sustained.
- A clause which limits liability will not be construed as strictly as one which excludes liability altogether.
- A limitation clause will be construed just as strictly as an exclusion clause.

3. Which one of the following statements is correct?

- Whether an exemption clause is likely to be incorporated into the contract will depend on whether or not the recipient had reasonable notice of it.
- Whether an exemption clause is likely to be incorporated into the contract will depend on whether or not the recipient had expressly agreed to its inclusion.
- Whether an exemption clause is likely to be incorporated into the contract will depend on whether or not the contract is in writing.
- Whether an exemption clause is likely to be incorporated into the contract will depend on the seriousness of the breach and possibly the extent of the loss sustained.

4. Is it possible for a seller to exclude or restrict liability for a breach of section 12 of the Sale of Goods Act 1979?

- Yes
- No
- Yes, if it merely limits (rather than excludes) the seller's liability, but otherwise no.
- Yes, if the seller sells the goods in the course of a business, but otherwise no.

5. Where will one find the statutory provision relating to exemption clauses in consumer contracts?

- Sections 31 and 47 of the Consumer Rights Act 2015
- Section 2(1) of the Sale of Goods Act 1979
- The Unfair Contract Terms Act 1977
- This is dealt with at common law

6. Where will one find the statutory provision relating to exemption clauses for contracts for the sale of goods that are supplied with a service?

- The Supply of Goods and Services Act 1982
- This is dealt with at common law
- Section 7 of the Unfair Contract Terms Act 1977
- These terms can never be excluded

7. The word "reasonableness" is often used in connection with exemption clauses. Which party has the burden of establishing reasonableness?

- The party claiming that the term satisfies the requirement of reasonableness must show that it does
- This is a matter for the trial judge
- The party claiming that the term does not satisfy the requirement of reasonableness must show that it does not
- Depends on the facts of the case

8. What is the meaning of an "unfair term" for the purposes of the Unfair Terms in Consumer Contracts Regulations 1999?

- One that fails the test of reasonableness under the Unfair Contract Terms Act 1977.
- One that has not been individually negotiated and fails the test of reasonableness under the Unfair Contract Terms Act 1977.
- One that has not been individually negotiated if, contrary to the requirement of good faith, it causes a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the consumer.
- One that is deemed by the court to be unfair. There is no specific meaning of the expression.

9. Are core terms covered by the Unfair Terms in Consumer Contracts Regulations 1999?

- Yes, unless they have been individually negotiated.
- Yes, unless they seek to exclude or limit liability.
- Yes
- No

10. What is the effect of a term being judged unfair under the Consumer Rights Act 2015?

- It will render the contract void
- It will render the contract voidable
- It will entitle the consumer to an award of damages
- It will not be binding on the consumer

UNIT 6

1. Which one of the following reflects a key difference between sections 6 and 7 of the Sale of Goods Act 1979?

- Section 6 deals with events before the contract is made while section 7 deals with the events after the contract has been made.
- Section 6 applies to consumer sales and section 7 applies to sales made in the course of a business.
- Section 6 only applies to void contracts whereas section 7 applies equally to contracts that are declared void as well as to contracts that are voidable.
- Section 6 only applies to voidable contracts whereas section 7 applies equally to contracts that are declared void as well as to contracts that are voidable.

2. When will the goods be deemed to have perished for the purposes of the Sale of Goods Act 1979?

- Only if they have been destroyed.
- Either if they have been destroyed or if they become significantly altered so that, for commercial purposes, they can no longer be said to be the same goods that were the subject of the contract.
- If the reasonable person would consider them to have perished.
- If the buyer would be justified in rejecting them.

3. As section 7 of the Sale of Goods Act 1979 is similar to the common-law rules on frustration, does the Law Reform (Frustrated Contracts) Act 1943 apply to such cases?

- Yes
- Depends on the circumstances of the case
- No
- Only if the contract is held to be frustrated

4. Which one of the following statements is correct?

- Sections 6 and 7 of the Sale of Goods Act 1979 apply only in cases of specific goods.
- Sections 6 and 7 of the Sale of Goods Act 1979 apply only where the seller sells the goods in the course of a business.
- Section 6 of the Sale of Goods Act 1979 applies only in cases of specific goods. There is no such restriction on section 7.
- Section 7 of the Sale of Goods Act 1979 applies only in cases of specific goods. There is no such restriction on section 6.

5. What would the likely result be in the following situation? A buyer contracts with a seller to purchase a specific portion of a crop, and performance becomes impossible owing to a failure of the crop without any default on the part of the seller.

- The seller will not be liable to the buyer in damages.

- The seller will be liable to the buyer in damages.
- The seller will only be liable to the buyer in damages if the goods have already been paid for.
- The seller will not be liable to the buyer in damages although he will be obliged to deliver the actual amount that has been harvested.

6. How would you rationalise the difference in the results in *Howell v Coupland* (1875-76) LR 1 QBD 258 and *Sainsbury Ltd v Street* [1972] 1 WLR 834?

- Howell v Coupland* concerned the sale of specific goods, *Sainsbury Ltd v Street* didn't.
- Sainsbury Ltd v Street* concerned the sale of specific goods, *Howell v Coupland* didn't.
- The courts will attempt to ascertain the intention of the parties.
- Each case was materially different.

7. Which one of the following statements is correct?

- Neither section 6 nor section 7 of the Sale of Goods Act 1979 applies to unascertained goods nor to goods that were ascertained after the contract was made.
- Both sections 6 and 7 of the Sale of Goods Act 1979 apply to unascertained goods as well as to goods that were ascertained after the contract was made.
- Section 6 but not section 7 of the Sale of Goods Act 1979 applies to unascertained goods as well as to goods that were ascertained after the contract was made.
- Section 7 but not section 6 of the Sale of Goods Act 1979 applies to unascertained goods as well as to goods that were ascertained after the contract was made.

8. Which one of the following statements is correct?

- Section 6 of the Sale of Goods Act 1979 is concerned only with sales, whereas section 7 is concerned with agreements to sell where the seller acts in the course of a business.
- Section 6 of the Sale of Goods Act 1979 is concerned only with sales, whereas section 7 is concerned with agreements to sell.
- Section 6 of the Sale of Goods Act 1979 is concerned only with agreements to sell, whereas section 7 is concerned with sales.
- Section 6 of the Sale of Goods Act 1979 is concerned only with sales made in the course of the seller's business, whereas section 7 is concerned with agreements to sell irrespective of the status of the seller.

9. Which party can be at fault for section 7 of the Sale of Goods Act 1979 to apply?

- The buyer but not the seller
- The seller but not the buyer
- Either party
- Neither party

10. Why did the claim fail in *Avery v Bowden* (1855) 26 LJ QB 3?

- Because the buyer failed to pay the price
- Because the buyer failed to mitigate its loss
- Because the buyer was at fault
- Because the subsequent illegality of the contract caused it to become frustrated

UNIT 7

1. Which one of the following statements best reflects the correct position when an exception to the *nemo dat* principle applies?

- The goods revert to the original owner.
- The goods are sold, and the proceeds divided between all innocent parties.
- The original owner of the goods loses his title in favour of the purchaser who would have lost out had the exception not applied.
- The court decides.

2. Does section 21(1) of the Sale of Goods Act 1979 cover sales and/or agreements to sell?

- It depends on the circumstances of the case
- Both sales and agreements to sell
- Only agreements to sell
- Only sales

3. What is a mercantile agent?

- A mercantile agent having in the customary course of his business as such agent authority either to sell goods, or to consign goods for the purpose of sale, or to buy goods, or to raise money on the security of goods.
- Any person who acts as agent with the authority of the principal.
- Any person who acts as agent with the principal's express authority.
- Any person who acts as agent with the principal's express or apparent authority.

4. Upon which party is the burden of proving whether or not the third-party purchaser acted in good faith?

- The original owner
- The third-party purchaser must prove that he acted in good faith. This is the rule for all of the exceptions to the *nemo dat* rule except section 23 where the original owner must prove that the third-party purchaser did not act in good faith.
- The party bringing the claim
- It will depend on the facts of the case

5. When will a seller be in possession of the goods after sale for the purposes of section 24 of the Sale of Goods Act 1979?

- Where he manages to obtain possession of the goods following the original sale, provided he does not act dishonestly.
- Where he manages to obtain possession of the goods following the original sale, provided he does so with the consent of the original buyer.
- Where he remains, without interruption, in physical possession of the goods.
- Where he acts as seller of the original goods to any subsequent purchaser.

6. Will the exception under section 25 of the Sale of Goods Act 1979 (sale by a buyer in possession after sale) apply where the first buyer acquires the goods on hire purchase?

- Yes, provided he acquires the goods from a seller who sells them in course of a business.
- Yes, provided he acquires the goods from a mercantile agent.
- Yes
- No

7. When does section 27 of the Hire Purchase Act 1964 operate?

- In the case of goods acquired by hire purchase.
- In the case of a motor vehicle acquired under a hire purchase or conditional sale agreement.
- In the case of goods that were originally purchased and subsequently acquired by hire purchase.
- It doesn't. It has been repealed.

8. In *Shogun Finance Ltd v Hudson* [2003] UKHL 62, why couldn't Mr Hudson rely on section 27 of the Hire Purchase Act 1964 to acquire good title of the vehicle?

- Because the agreement was voidable and had not at the time been avoided
- Because he hadn't paid the price in full
- Because he purchased it from a fraudster
- Because the agreement was void for mistake, which meant that the rogue was not a seller in possession of the vehicle under a hire purchase agreement

9. Which Act repealed section 22 of the Sale of Goods Act 1979?

- Supply of Goods and Services Act 1982
- Sale and Supply of Goods Act 1994
- Sale of Goods (Amendment) Act 1994
- None. It has not been repealed.

10. In what circumstances can section 21(2) of the Sale of Goods Act 1979 be used?

- It cannot. It has been repealed.
- In various miscellaneous situations where there exists a special power of sale.
- In any case where the court deems it just and equitable.
- When a party cannot succeed under one of the other *nemo dat* exceptions and it would be unfair to leave him without a remedy.

UNIT 8

1. It is the buyer's duty to accept and to pay for the goods. What is the corresponding duty of the seller?

- To make the goods available for collection by the buyer
- To deliver the goods according to the terms of the contract
- To deliver the goods to the buyer's home address
- To deliver the goods to the buyer's business address

2. Section 28 of the Sale of Goods Act 1979 sets out the requirements of delivery and payment. Which comes first?

- The buyer's obligation to pay always comes before the seller's obligation to deliver.
- Where the buyer is a consumer, payment and delivery are concurrent conditions. Where the buyer is not a consumer, the parties are free to make whatever arrangements they wish.
- They are concurrent conditions unless the parties have agreed otherwise.
- Whichever is reasonable in all the circumstances.

3. Where is the correct place of delivery of the goods?

- Wherever the contract specifies
- Wherever is reasonable in all of the circumstances of the case
- Unless agreed otherwise, the buyer's place of business if he has one, and if not, his residence. But, if the contract is for the sale of specific goods, which to the knowledge of the parties when the contract is made are in some other place, then that place is the place of delivery.
- Unless agreed otherwise, the seller's place of business if he has one, and if not, his residence. But, if the contract is for the sale of specific goods, which to the knowledge of the parties when the contract is made are in some other place, then that place is the place of delivery.

4. What may a buyer do if the seller delivers a quantity of goods less than he contracted to sell?

- Either reject them or accept the short delivery and pay pro-rata for the goods that have been delivered.
- Either reject or accept them. If he accepts them, he must pay the full contract price (including the goods that were not delivered).
- He must reject them.
- He must accept them.

5. What may a buyer do if the seller delivers a quantity of goods greater than he contracted to sell?

- He must accept the correct quantity and reject the remainder.

He may either accept the correct quantity and reject the remainder or he may reject the entire delivery.

He must accept the entire delivery.

He must reject the entire delivery.

6. Is the buyer bound to accept delivery of the goods by instalments?

Yes.

Yes, provided the remainder of the goods follow within a reasonable time.

Not unless otherwise agreed.

Depends on whether the seller has sold the goods in the course of a business.

7. Where the buyer has the right to refuse to accept the goods, and does refuse to accept them, what must he do with the goods?

Keep them in a safe place ready for the seller to collect

Nothing other than intimate to the seller that he refuses to accept them

Return them to the seller at his own cost

Return them to the seller at the seller's cost

8. Will a buyer be deemed to have accepted the goods if he agrees to their repair?

Yes, provided the goods are specific goods

No, provided the goods are specific goods

No

Yes

9. Can the price be determined by a course of dealing between the parties?

No, it must be specifically agreed

Yes

Only if the seller sells the goods in the course of a business

Only if the buyer deals as a consumer

10. Unless the parties agree otherwise, which of the following is "of the essence" in respect of time?

Both delivery of the goods and payment

Delivery of the goods, payment and inspection

Payment

Delivery of the goods

UNIT 9

1. Which one of the following situations does not reflect the position of an unpaid seller?

- When the seller extends credit to the buyer but the buyer does not pay by the time allowed.
- When the whole of the price has not been paid.
- When the whole of the price has not been tendered.
- When a negotiable instrument has been received as conditional payment and the condition on which it was received has not been fulfilled by reason of the dishonour of the instrument.

2. Which one of the following is not a right of the unpaid seller against the goods?

- Where the property in the goods has not passed to the buyer, a right of withholding delivery similar to and co-extensive with his rights of lien or retention and stoppage in transit where the property has passed to the buyer.
- A right of stopping the goods in transit after the seller has parted with the possession of them.
- A right of resale, limited by the Sale of Goods Act 1979.
- A lien on the goods or right to retain them for the price while the seller is in possession of them.

3. When will the unpaid seller of goods not lose his lien or right of retention in respect of the goods?

- When the buyer or the buyer's sub-buyer lawfully obtains possession of the goods.
- When he delivers the goods to a carrier or other bailee or custodian for the purpose of transmission to the buyer without reserving the right of disposal of the goods.
- When the buyer or his agent lawfully obtains possession of the goods.
- By waiver of the lien or right of retention.

4. Apart from taking actual possession of the goods, how can the unpaid seller stop the goods in transit?

- By informing the buyer that he must not accept delivery of the goods.
- By obtaining an order of the court.
- By giving notice of his claim to the carrier who has possession of the goods.
- By giving notice of his claim to the buyer's sub-buyer.

5. If the goods are already in transit, what practical steps can the seller take to prevent their delivery?

- Nothing. Once the goods are already in transit it is too late to prevent delivery.
- Serve notice on the driver. Alternatively, he may serve notice on the driver's principal provided there is then sufficient time for the principal to communicate the notice to his driver before the delivery is made.

- Take all reasonable and lawful steps to prevent the delivery from being made.
- Notify the police who will intercept the delivery and prevent it from being made to the buyer.

6. Apart from an action for the price, what other remedy does the unpaid seller have against the buyer for breach of contract?

- Damages for non-acceptance of the goods
- Damages for late payment
- A claim in equity
- None

7. What is payment on a "day certain"?

- Where the parties have agreed that payment will be made on a particular date.
- Where the parties have agreed that payment will be made on a particular date and make time for payment of the essence.
- Where the parties have agreed that payment will be made on a particular date irrespective of whether the goods have been delivered to the buyer.
- Where the parties have agreed that payment will be made upon the occurrence of a specific event rather than on a particular date.

8. When will the unpaid seller be entitled to commence an action against the buyer for non-acceptance of the goods?

- If he wrongfully neglects or refuses to pay for the goods.
- If he wrongfully neglects or refuses to accept the goods.
- If he wrongfully neglects or refuses to accept and pay for the goods.
- If he wrongfully neglects or refuses to accept the goods after the seller has made at least two separate attempts at delivery.

9. Will the seller ever be entitled to claim special damages to compensate him for any loss arising out of any special circumstances?

- Yes, provided that the parties were aware of the special circumstances at the time the contract was made.
- Yes, irrespective of whether or not the parties were aware of the special circumstances at the time the contract was made.
- No
- Not unless the seller is also able to invoke another provision in the Sale of Goods Act 1979.

10. Does the market price rule contained in section 50(3) of the Sale of Goods Act 1979 apply to unique goods?

- Depends on the circumstances of the case

- Only if the seller sells the goods in the course of a business
- No
- Yes