**Business Law ‐ Types of Consideration**

**Independent Practice Assignment**

* **Traveling the 48 After Graduation Case:**After graduation from high school, you and five friends plan to travel throughout the 48 contiguous states, taking numerous pictures along the way. Fox Camera offers to give you a dozen rolls of 36‐exposure color film for the trip free if you agree to let Fox Camera develop and print all the rolls of film you use, for a stated price per roll. You agree. Are you and Fox Camera legally bound? What is the consideration for each party?

**Answer:** The parties are bound. Fox Camera has given up its right to charge for the film in exchange for the photographer’s promise to have the film developed and printed at Fox Camera. This is an exchange of forbearance from a promise.

* **Band Aid Case:** A four‐piece high school rock band practiced for at least one hour most days of the week. The practice studio was a cramped one‐car garage of the drummer’s home. Several neighbors offered to pay the rent at a local warehouse as a practice studio for a year if the band agreed to stop practicing at the drummer’s home. The warehouse was much larger than the garage and the band members agreed to the offer made by neighbors. Did the neighbors receive consideration? Did the rock band receive a benefit, endure a detriment, both, or neither? Was the contract enforceable?

**Answer:** The neighbors received consideration when the rock band forbears practicing in the garage in exchange for the consideration of rent at the warehouse. The rock band benefited by receiving a better practice studio as their consideration. The contract is legally enforceable.

* **Finder’s Keeper Case:** Harold noticed an expensive chair and ottoman at the neighbor’s garage sale. Harold knew that the two pieces of furniture were easily worth $2,000. When he asked the neighbor how much he wanted for the furniture, the neighbor responded $500 if you pick it up today and take the end table that goes with the chair.  Harold said he agreed to the offer, even though he knew that the chair and ottoman were worth $2,000. Does a valid contract exist?

**Answer:** A valid contract exists. Adequacy of consideration will not be questioned by the court because the neighbor agrees to ($500 and hauling the furniture and end table the same day).

* Consideration Presentation Assignment: Ask students to create a presentation that defines consideration and the key terms in this lesson. The presentation should also give examples of binding consideration and actions that do not represent consideration. This project will be evaluated with the corresponding rubric.