THEMIS CONTRACTS PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. The primary goal of contract damages is to place the nonbreaching party in what position relative to performance?

A. Only if the breaching party knew about the special circumstances.

B. Place the nonbreaching party in the same position as if fully performed.

C. They can be recovered regardless of foreseeability.

D. They can be recovered only for direct damages.

2. The four corners rule is historically associated with which body of law?

A. Common law

B. UCC

C. Restatement

D. International law

3. What is a liquidated damages clause, and when is it enforceable or considered a penalty?

A. A predetermined sum that is automatically enforceable in all breaches.

B. A clause that sets a predetermined sum upon breach and is enforceable only if the forecast of actual damages is reasonable at contract formation.

C. A penalty clause that is void regardless of damages.

D. A court must approve any liquidated damages amount after breach.

4. When is restitutionary recovery available and how is it measured?

A. When the defendant is unjustly enriched; measured by the contract price.

B. When the defendant is unjustly enriched, the plaintiff may recover the benefit conferred, measured by the reasonable value of obtaining that benefit from another source or the increase in the defendant's wealth.

C. Only when there is a contract for restitution.

D. Restitution is never available.

5. What is a novation?

A. A mere delegation of duties.

B. A substituted contract where a new party takes over and the original party is released.

C. A separate contract that does not involve the original obligations.

D. A rule that requires consideration for delegation.

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6. Regarding the perfect tender rule, which statement is FALSE?

A. A seller who has not made a perfect tender of the goods has a chance to cure the tender if there is time left on the contract.

B. The perfect tender rule does not apply to an installment contract.

C. If the seller tendered nonconforming goods under a reasonable understanding that the buyer would accept the replacement goods, the buyer must allow for cure of the defective tender.

D. Once a buyer has accepted the goods, the buyer cannot revoke his acceptance and return the goods.

7. What are expectation damages, and what must be shown to recover them?

A. They place the injured party in the position as if the contract had been performed; damages must be caused by breach and be foreseeable and certain.

B. They are punitive damages.

C. They are incidental damages.

D. They require no proof of causation.

8. If a destination contract authorizes the seller to ship the goods by carrier, when does the risk of loss shift from the seller to the buyer?

A. Once the goods are delivered to a particular place (specified in the contract).

B. At shipment.

C. Only upon payment.

D. After inspection.

9. Regarding extrinsic evidence, which statement accurately reflects the priority among the listed sources for interpreting a contract for the sale of goods under the UCC?

A. Course of performance first, then course of dealing, then trade usage

B. Trade usage first, then course of dealing, then course of performance

C. Course of dealing first, then course of performance, then trade usage

D. Trade usage first, then course of performance, then course of dealing

10. Who is an intended beneficiary in a contract?

A. The promisee.

B. The person to whom the promisor will pay directly to relieve the promisee from a debt.

C. A third party who might benefit.

D. The promisor.

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Answers

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1. B
2. A
3. B
4. B
5. B
6. D
7. A
8. A
9. A
10. B

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Explanations

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1. The primary goal of contract damages is to place the nonbreaching party in what position relative to performance?

A. Only if the breaching party knew about the special circumstances.

B. Place the nonbreaching party in the same position as if fully performed.

C. They can be recovered regardless of foreseeability.

D. They can be recovered only for direct damages.

The main idea here is that contract damages are meant to protect the nonbreaching party's expectation interest—they should be placed in the position they would have been in if the contract had been fully performed. In other words, the goal is to give them the value of the promised performance as if everything had gone according to plan. This isn't about the breaching party's knowledge of the other party's special circumstances, and it isn't about recovering damages without regard to foreseeability. Damages must be those that were foreseeable at the time the contract was made. And the recovery isn't limited only to direct damages; foreseeable indirect or consequential damages can be recovered as well if they were contemplated or foreseeable.

2. The four corners rule is historically associated with which body of law?

A. Common law

B. UCC

C. Restatement

D. International law

Think about how courts read a contract by focusing on the words inside the document and treating them as the complete record of the agreement. That approach, known as the four corners rule, comes from historical common law practice. It suggests that, unless there's ambiguity or a specific exception, the interpretation should be limited to the text within the four corners of the contract itself, without weighing external evidence. This is why the four corners rule is associated with common law. The other bodies don't fit as well because the UCC, which governs sale of goods in many jurisdictions, allows look at extrinsic factors like course of dealing, usage of trade, and course of performance to interpret terms or fill gaps. The Restatement reflects modern practice and also permits considering external context to determine meaning. International law relies on treaties, customary practice, and contextual interpretation beyond a single document rather than sticking to its text alone.

3. What is a liquidated damages clause, and when is it enforceable or considered a penalty?

A. A predetermined sum that is automatically enforceable in all breaches.

B. A clause that sets a predetermined sum upon breach and is enforceable only if the forecast of actual damages is reasonable at contract formation.

C. A penalty clause that is void regardless of damages.

D. A court must approve any liquidated damages amount after breach.

A liquidated damages clause fixes a predetermined sum to be paid if a breach occurs. Courts uphold it when that amount was a reasonable forecast of the damages likely to result at the time the contract was formed, reflecting the parties' attempt to estimate the harm in advance. If the fixed sum functions as a penalty—designed to punish rather than compensate—it's not enforceable. When the forecast is reasonable, the clause is enforceable; if not, it's treated as a penalty and may be void. The description that best fits is: it sets a predetermined sum upon breach and is enforceable only if the forecast of actual damages is reasonable at contract formation.

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4. When is restitutionary recovery available and how is it measured?

A. When the defendant is unjustly enriched; measured by the contract price.

B. When the defendant is unjustly enriched, the plaintiff may recover the benefit conferred, measured by the reasonable value of obtaining that benefit from another source or the increase in the defendant's wealth.

C. Only when there is a contract for restitution.

D. Restitution is never available.

Restitutionary recovery operates to prevent unjust enrichment when someone has gained a benefit at another's expense, even without a contract obligating payment. The focus is on disgorging the benefits already conferred, not on enforcing a contract. The measurement looks at the value of the benefit the plaintiff conferred. This can be the reasonable value of obtaining that benefit from another source, or equivalently the increase in the defendant's wealth resulting from the enrichment. In other words, you don't recover the contract price; you recover the value of what the plaintiff supplied or the defendant's net gain from the enrichment. So the best answer states that recovery occurs for unjust enrichment and is measured by the reasonable value of the benefit or the wealth increase to the defendant, not by the contract price. Restitution is not limited to situations with a contract, and it is not unavailable.

5. What is a novation?

A. A mere delegation of duties.

B. A substituted contract where a new party takes over and the original party is released.

C. A separate contract that does not involve the original obligations.

D. A rule that requires consideration for delegation.

Novation is the substitution of a new party for one of the original parties in a contract, with the original party released from the obligations. It creates a new agreement between the remaining party and the new party on the same terms and ends the old contract, and it requires the consent of all involved because it changes who is bound. This is why the description that mentions a substituted contract where a new party takes over and the original party is released fits novation exactly. A mere delegation of duties does not discharge the original party, so it isn't novation; a separate contract that doesn't involve the original obligations isn't novation either, since novation involves replacing a party in an existing contract. The notion about a rule requiring consideration for delegation is not what novation is about; novation centers on substitution and release, not a general delegation rule.

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6. Regarding the perfect tender rule, which statement is FALSE?

A. A seller who has not made a perfect tender of the goods has a chance to cure the tender if there is time left on the contract.

B. The perfect tender rule does not apply to an installment contract.

C. If the seller tendered nonconforming goods under a reasonable understanding that the buyer would accept the replacement goods, the buyer must allow for cure of the defective tender.

D. Once a buyer has accepted the goods, the buyer cannot revoke his acceptance and return the goods.

The key idea tested is how the perfect tender rule interacts with warnings to cure, the special treatment of installment contracts, and the possibility of revoking acceptance. Under the UCC, unless a contract is an installment contract, a seller must deliver conforming goods; if a tender is nonconforming, the seller has a chance to cure as long as there is time left in the contract to supply conforming goods. This is why the statement about curing when time remains is correct. Installment contracts carve out a specific exception: the perfect tender rule doesn't operate identically for each installment. A buyer may reject an installment if the nonconformity substantially impairs the value of that installment or if it cannot be cured, which shows why strict perfect tender doesn't apply in the same way to installments. That aligns with the idea that the rule doesn't apply identically to installment contracts. If the seller delivers nonconforming goods but does so with a reasonable belief that the buyer would accept replacement goods, the buyer is generally required to allow a cure. The seller's initial nonconforming tender isn't automatically a dead end; the contract allows for curing the defect after reasonable time or assurances of cure. The statement about not being able to revoke acceptance once it has occurred is not correct. A buyer can revoke acceptance if the nonconformity substantially impairs value and was not discoverable before acceptance, and the revocation must occur within a reasonable time after discovery. Once revoked, the buyer can return the goods.

7. What are expectation damages, and what must be shown to recover them?

A. They place the injured party in the position as if the contract had been performed; damages must be caused by breach and be foreseeable and certain.

B. They are punitive damages.

C. They are incidental damages.

D. They require no proof of causation.

Expectation damages are meant to put the non-breaching party in the position they would have been in if the contract had been performed. To recover them, you must show that a breach occurred, that the breach caused the damages, and that those damages were reasonably foreseeable at the time of contracting and can be proven with reasonable certainty. This combination keeps the award tied to the promised performance and not to vague or speculative losses. Punitive damages aren't used for ordinary contract breaches, incidental damages are separate costs incurred because of the breach, and you must prove causation to recover any damage.

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8. If a destination contract authorizes the seller to ship the goods by carrier, when does the risk of loss shift from the seller to the buyer?

A. Once the goods are delivered to a particular place (specified in the contract).

B. At shipment.

C. Only upon payment.

D. After inspection.

In a destination contract, the seller is obligated to deliver the goods to a specific place named in the contract. Even if the seller uses a carrier to get the goods there, the risk of loss remains with the seller during transit and shifts to the buyer only when the goods are delivered at that designated destination. So the moment of transfer is the completion of delivery to the specified place, not the moment of shipment, payment, or inspection. That's why the risk of loss shifts when the goods are delivered to the contract's stated destination.

9. Regarding extrinsic evidence, which statement accurately reflects the priority among the listed sources for interpreting a contract for the sale of goods under the UCC?

A. Course of performance first, then course of dealing, then trade usage

B. Trade usage first, then course of dealing, then course of performance

C. Course of dealing first, then course of performance, then trade usage

D. Trade usage first, then course of performance, then course of dealing

When interpreting a contract for the sale of goods under the UCC, extrinsic sources can help explain or supplement terms, and there is a natural priority among them. The most persuasive evidence is how the parties actually performed under the current contract (course of performance), because it shows the concrete actions and expectations they established in this deal. Next comes what happened in prior dealings between the same parties (course of dealing), which reflects established patterns and understandings from their relationship. Finally, the general practices in the trade (usage of trade) can illuminate meaning, but it's the least directly tied to the specific contract. So the correct statement follows this order: course of performance first, then course of dealing, then trade usage.

10. Who is an intended beneficiary in a contract?

A. The promisee.

B. The person to whom the promisor will pay directly to relieve the promisee from a debt.

C. A third party who might benefit.

D. The promisor.

An intended beneficiary is someone not part of the contract who is the clear purpose of the agreement and who has the right to enforce it. In a creditor-beneficiary setup, one party promises to pay a debt directly to the person who is owed money, thereby relieving the promisee of the obligation. That third party—the one being paid to settle the debt—was intended to benefit from the contract, so they can sue to enforce the promise if payment isn't made. The promisee and the promisor are the actual contract parties, not beneficiaries, and a third party who benefits only incidentally wouldn't have enforcement rights. Therefore, the person to whom the promisor will pay directly to relieve the promisee from a debt is the intended beneficiary.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://themiscontracts.examzify.com

We wish you the very best on your exam journey. You've got this!

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