

# **BUSINESS LAW I**

## Curriculum Content Frameworks

**Please note: All assessment questions will be taken from the knowledge portion of these frameworks.**

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# Curriculum Content Frameworks

## Business Law I

Grade Levels: 10, 11, 12  
Course Code: 492070

Prerequisite: Tech Prep Foundation

Course Description: Business Law I is a one-semester course designed to acquaint the student with the many applications of law governing our business and personal affairs in today's legal environment and dynamic marketplace. It is a study of the many relationships that exist, defining our rights and responsibilities associated with each, according to generally accepted principles of law. Business Law I covers the history and evolution of our law, its purposes, how laws may be classified, the rights of individuals, and where the law may be found. Topics will include criminal law, civil (tort) law, enforcement procedures and the courts, regulatory law for business firms, consumer protection, and contract law.

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# Unit 1: The Nature of Law and Our Legal Environment

**Hours: 6**

**Terminology:** Administrative law, Bill of Rights, Case law, Citizenship, Civil disobedience, Civil law, Civil rights, Common law, Constitutional law, Due process of law, English Magna Carta, Ethics, Law, Legal duty, Natural rights, Political rights, Precedent, Procedural law, Statutory law, Substantive law, U. S. Constitution, Unconstitutional

CAREER and TECHNICAL SKILLS What the Student Should be Able to Do		ACADEMIC and WORKPLACE SKILLS What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
1.1 Define terminology	1.1.1 Prepare of list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to the legal environment [1.3.6]	
			Writing	Uses words appropriately [1.6.21]	
1.2 Identify the origin of our law and the legal environment in which we live	1.2.1 Distinguish between moral obligations and legal obligations	Foundation	Reading	Applies information and concepts derived from printed materials [1.3.3]	
	1.2.2 Explain the origin and history of U. S. law			Applies/Understands technical words that pertain to the history of U. S. law [1.3.6]	
	1.2.3 Explain the need for order, justice, predictable behavior, protection of property/persons, and general welfare as purposes of laws			Draws conclusions from what is read [1.3.12]	
	1.2.4 Identify the sources of today's law			Identifies relevant details, facts and specifications [1.3.16]	
	1.2.5 Classify our individual rights of citizenship under constitutional law			Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]
	1.2.6 Distinguish between the civil liberties of personal security and privacy, self expression, equality, and ownership of private property			Thinking	Reasoning

## Unit 2: Criminal Law, Civil Law, and the Judicial System

### Hours: 17

Terminology: Alibi, Answer, Appellate court, Appellate jurisdiction, Arbitration, Arraignment, Arrest, Arson, Assault, Assumption of risk, Bail bond, Battery, Bench trial, Bribery, Comparative negligence, Complaint, Computer crime, Conspiracy, Contempt of court, Contributory negligence, Conversion, Crime, Criminal conduct, Criminal insanity, Defamation, Default judgment, Defendant, Deposition, Discovery, Duty of care, Embezzlement, Entrapment, Evidence, Execution of judgment, Extortion, False imprisonment, Felony, Fines, Forgery, Fraud, General jurisdiction, Immunity, Imprisonment, Infancy, Infraction, Injunction, Interrogatory, Invasion of privacy, Judgment, Jurisdiction, Larceny, Libel, Litigation, Manslaughter, Mediation, Miranda warning, Misdemeanor, Monetary damages, Murder, Negligence, Pardon, Plaintiff, Plea bargaining, Probation, Prosecution, Reasonable-person standard, Recognizance, Remedy, Robbery, Self-defense, Slander, Strict product liability, Subpoena, Summons, Tort, Tortfeasor, Trespass, Trial court, Trial jury, Verdict, Vicarious liability, Voir dire, White-collar crimes, Witness

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>		
What the Student Should be Able to Do		What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
2.1 Define terminology	2.1.1 Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to criminal law, civil law, and the judicial system [1.3.6]
			Writing	Uses words appropriately [1.6.21]
2.2 Examine the role of the courts and enforcement procedures	2.2.1 Explain the differences of the local, state, and federal court systems	Foundation	Reading	Identifies relevant details, facts and specifications [1.3.16]
	2.2.2 Identify dispute resolution methods	Thinking	Decision Making	Evaluates information/data to make best decision [4.2.5]
	2.2.3 Examine the procedures in a jury selection process		Reasoning	Determines which conclusions are correct when given a set of facts and a set of conclusions [4.5.3]
	2.2.4 Compare and contrast the steps in a civil law suit with the steps in a criminal prosecution			
	2.2.5 Explain how minors are treated differently for criminal proceedings			

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>				
What the Student Should be Able to Do		What the Instruction Should Reinforce				
<b>Knowledge</b>	<b>Application</b>	<b>Skill Group</b>	<b>Skill</b>	<b>Description</b>		
2.3 Examine civil law (tort law) and criminal law	2.3.1 State the difference between a crime and a tort	Foundation	Reading	Applies/Understands technical words that pertain to the difference between a crime and a tort [1.3.6]		
	2.3.2 Identify the classifications of crimes			Identifies relevant details, facts and specifications [1.3.16]		
	2.3.3 Identify the most common crimes	Thinking	Reasoning	Writing	Presents answers/conclusions in a clear and understandable form [1.6.13]	
	2.3.4 List the common defenses to criminal or civil charges				Sees relationship between two or more ideas, objects, or situations [4.5.5]	
	2.3.5 Identify the most common intentional torts					
	2.3.6 Define negligence and the "duty of care" standard					
	2.3.7 Describe the concepts of vicarious liability and strict product liability					
	2.3.8 Describe the penalties possible for committing crimes and torts					

## Unit 3: Consumer Protection and Business Regulation

**Hours: 9**

Terminology: Adulterated, Affirmative disclosure, Bait and switch advertising, Caveat emptor, Caveat venditor, Cease and Desist Order, Class action, Consent order, Consumer, Consumer Product Safety Act, Consumer Product Safety Commission, Environmental Protection Agency, Express warranty, False advertising, Federal Trade Commission, Food and Drug Administration, Gambling, Implied warranty, Merchantability, National Bureau of Standards, Price fixing, Restitution, Sanctions, Standards, Telemarketing fraud, U. S. Department of Agriculture, Unfair trade practice, Warranty, Zoning ordinances

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
3.1 Define terminology	3.1.1 Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to consumer protection and business regulation [1.3.6]	
			Writing	Uses words appropriately [1.6.21]	
3.2 Examine how federal and state laws protect the consumer	3.2.1 Explain the need for business regulation	Foundation	Reading	Comprehends written information and applies it to a task [1.3.8]	
	3.2.2 Identify important consumer protection legislation			Identifies relevant details, facts and specifications [1.3.16]	
	3.2.3 List the regulatory agencies established to protect consumers against unsafe products and deceptive trade practices		Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	3.2.4 Identify unfair trade practices regulated by the Federal Trade Commission		Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]	
	3.2.5 Explain the importance of established product standards			Presents answers/conclusions in a clear and understandable form[1.6.13]	
	3.2.6 Discuss the importance of zoning ordinances	Thinking	Reasoning	Extracts rules or principles from written information [4.5.4]	
	3.2.7 Discuss how the rules of administrative agencies are enforced				
	3.2.8 Distinguish between implied and express warranties and explain the protection they provide				
	3.2.9 Identify the federal agency established to protect the environment				

## Unit 4: Fundamentals of Contract Law

**Hours: 28**

Terminology: Acceptance, Annulment, Anticipatory breach, Assignee, Assignment, Assignor, Bilateral mistake, Breach, Cancellation, Capacity, Compensatory damages, Competency license, Concealment, Consideration, Contract, Contract of adhesion, Counteroffer, Delegation of duties, Disaffirm, Discharge, Divorce, Duress, Executed contract, Executory contract, Express contract, Firm offer, Forbearance, Genuine assent, Gift, Implied contract, Liquidated damages, Lobbying, Marriage, Mitigation, Necessaries, Nominal consideration, Nominal damages, Obligor, Obstruction of justice, Offer, Offeree, Offeror, Option, Parol evidence rule, Past consideration, Performance, Prenuptial agreement, Promissory estoppel, Punitive damages, Ratification, Rescission, Restrictive trade covenant, Revenue license, Revocation, Separation, Specific performance, Statute of Frauds, Statute of Limitations, Unconscionable, Undue influence, Unilateral mistake, Usury, Valid contract, Void, Voidable, Wager

<b>CAREER and TECHNICAL SKILLS</b>		<b>ACADEMIC and WORKPLACE SKILLS</b>			
What the Student Should be Able to Do		What the Instruction Should Reinforce			
Knowledge	Application	Skill Group	Skill	Description	
4.1 Define terminology	4.1.1 Prepare a list of terms with definitions	Foundation	Reading	Applies/Understands technical words that pertain to contract law [1.3.6]	
			Writing	Uses words appropriately [1.6.21]	
4.2 Explain the importance of binding agreements and the essential elements of a contract	4.2.1 List the fundamentals of a contract	Foundation	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]	
	4.2.2 List the requirements of an offer			Presents answers/conclusions in a clear and understandable form [1.6.13]	
	4.2.3 List the requirements of an acceptance				
	4.2.4 Explain how offers can be terminated or kept open				

CAREER and TECHNICAL SKILLS			ACADEMIC and WORKPLACE SKILLS				
What the Student Should be Able to Do			What the Instruction Should Reinforce				
Knowledge	Application		Skill Group	Skill	Description		
4.3 Evaluate contracts to determine validity	4.3.1	Discuss different forms of consideration in contracts	Foundation	Reading	Applies/Understands technical words that pertain to contracts [1.3.6]		
	4.3.2	Explain the concept of genuine assent and list the factors that may affect it			Comprehends written information and applies it to a task [1.3.8]		
	4.3.3	Discuss conditions which may make a contract enforceable due to the nature of the subject matter			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]	
	4.3.4	Define types of agreements that are classified as illegal or unenforceable		Thinking	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]	
	4.3.5	Explain the role of capacity in contracts				Presents answers/conclusions in a clear and understandable form [1.6.13]	
	4.3.6	Identify the types of contracts subject to the statute of frauds				Uses word appropriately [1.6.21]	
	4.3.7	Discuss how conflicts in written terms are interpreted				Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]
	4.3.8	Discuss the difference between written, oral, and implied contracts					
4.4 Examine contractual rights and duties	4.4.1	Explain how contractual rights and duties may be transferred to others	Foundation	Writing	Analyzes data, summarizes results, and makes conclusions [1.6.2]		
	4.4.2	Discuss ways contracts may be discharged	Thinking	Problem Solving	Demonstrates logical reasoning in reaching a conclusion [4.4.2]		
	4.4.3	Discuss the remedies for breach of contract		Reasoning	Extracts rules or principles from written information [4.5.4]		
4.5 Discuss legal aspects of marital contracts and divorce	4.5.1	Discuss how the law affects premarital and marital relationships	Foundation	Reading	Comprehends written information and applies it to a task [1.3.8]		
	4.5.2	Identify legal options for ending marriages	Thinking	Reasoning	Extracts rules or principles from written information [4.5.4]		

# Glossary

## Unit 1: The Nature of Law and Our Legal Environment

1. Administrative law – rules and procedures established by regulatory agencies
2. Bill of Rights – first ten amendments to the U.S. Constitution
3. Case law – type of law made when an appellate court endorses a rule to be used in deciding court cases
4. Citizenship – membership in a civil and political community
5. Civil disobedience – open, peaceful violation of a law thought to be unjust
6. Civil law – group of laws used to provide remedy for wrongs against individuals
7. Civil rights – personal, human rights recognized and guaranteed by the U.S. Constitution
8. Common law – law based on current standards or customs of the people
9. Constitutional law – law made when the fundamental, supreme law of the land is adopted, amended, or interpreted
10. Due process of law – constitutional requirement for fundamental fairness in our legal and court system
11. English Magna Carta – basis charter for the constitutional liberties of England
12. Ethics – standards of fair and honest conduct applied to social behavior
13. Law – enforceable rules of conduct in a society
14. Legal duty – obligations or standards of conduct toward other persons that are enforceable by law
15. Natural rights – rights to which all persons are entitled because they are human beings; also known as moral rights
16. Political rights – constitutional rights of an individual to participate in government, including right to vote or hold public office
17. Precedent – cases decided in the same state and in the same or higher court that provides an example or authority for deciding later cases involving identical or similar
18. Procedural law – defined legal rules or methods for processing civil and criminal cases through the court system
19. Statutory law – law created by a legislative body; may be at the local, state, or federal levels
20. Substantive law – law that defines duties, establishes rights, and prohibits wrongs

21. U. S. Constitution – document that consists of seven articles that provide a workable framework for our federal government
22. Unconstitutional – law that conflicts with a constitution and is therefore invalid

## Unit 2: Criminal Law, Civil Law, and the Judicial System

1. Alibi – a common defense to criminal charges that the accused was elsewhere at the time the crime was committed
2. Answer – a defendant's response to a plaintiff's complaint in a civil action
3. Appellate court – a court that reviews the decisions of lower courts to determine if a significant error of law was made during trial
4. Appellate jurisdiction – authority of a court to review a decision of a lower court or administrative agency
5. Arbitration – using an independent third party who develops a binding and enforceable resolution to a dispute
6. Arraignment – court proceeding where the defendant pleads guilty or not guilty to the formal charge of a crime
7. Arrest – legal action when a person is deprived of his or her freedom
8. Arson – willful and malicious burning of a building
9. Assault – unlawful touching of another person
10. Assumption of risk – a person voluntarily puts himself or herself in a dangerous or risky situation
11. Bail bond – deposit of money or other property left with the court to guarantee the person will return to stand trial
12. Battery – harmful or offensive touching
13. Bench trial – the judge listens to the testimony and decides the facts of a case when both the plaintiff and defendant voluntarily waive the right to trial by jury
14. Bribery – offering, requesting, or receiving anything of value with the intent of influencing another party
15. Comparative negligence – damages for liability of injuries are awarded in proportion to the fault of each
16. Complaint – legal document containing brief, plain statements of the plaintiff's claim against the defendant; the first step in a civil action
17. Computer crime – illegal act directed against computers or computer parts or a crime using computers as instruments of criminal conduct
18. Conspiracy – agreement between two or more persons to commit a crime
19. Contempt of court – willful disrespect to a court or disobedience of its orders
20. Contributory negligence – in personal injury law, the plaintiff's own negligence is a partial cause of an injury and bars the plaintiff from recovering damages
21. Conversion – the unauthorized taking of another's personal property
22. Crime – punishable offense against society

23. Criminal conduct – intent to commit an evil act in violation of a statute; also known as criminal intent
24. Criminal insanity – defense based on the accused's inability to know right from wrong
25. Defamation – false statement, oral or written, that injures one's reputation
26. Default judgment – judgment given (without a trial) to the plaintiff in a civil action when the defendant fails to answer the complaint
27. Defendant – person against whom a criminal or civil action is brought
28. Deposition – pretrial questioning of the opposing party and witnesses under oath
29. Discovery – court-ordered means of getting facts about the dispute of opposing parties and witnesses before the trial
30. Duty of care – the degree of care that a reasonably prudent person would use in a similar situation
31. Embezzlement – taking of another's property or money by a person to whom it has been entrusted
32. Entrapment – when a police officer or government agent has suggested commission of a crime and has induced, or encouraged, an individual to commit it
33. Evidence – information presented at trial by the parties and accepted by the court
34. Execution of judgment – process by which a judgment is enforced by court order
35. Extortion – improperly obtaining money or property by the use of force, fear, or the power of office
36. False imprisonment – depriving a person of freedom of movement without consent and without privilege
37. Felony – serious crime punishable by more than one year in jail, a fine of more than \$1,000, or both; death may also be imposed
38. Fines – a monetary amount imposed by the court for committing a crime
39. Forgery – making or materially altering any writing, with the intent to defraud
40. Fraud – intentional misrepresentation of an existing, important fact, relied upon by another
41. General jurisdiction – authority of a court to hear a wide range of cases
42. Immunity – freedom of prosecution for a crime
43. Imprisonment – loss of civil liberties by confinement in a correction institution
44. Infancy – the state or period before the legal age of majority
45. Infraction – minor misdemeanor punishable by a fine

46. Injunction – order of a court to do or not to do a specific thing
47. Interrogatory – a form of discovery by using a series of written questions for parties or witnesses, who prepare written answers and then sign under oath
48. Invasion of privacy – unlawful intrusion into another's private life causing mental or emotional injury
49. Judgment – final result of a trial
50. Jurisdiction – power of a court to hear and decide a case
51. Larceny – wrongful taking of another's personal property
52. Libel – written defamation
53. Litigation – resolution of disputes in a court
54. Manslaughter – killing of another person without intent
55. Mediation – a non-binding attempt by a neutral third party to achieve a compromise between two parties in a dispute
56. Miranda warning – warnings police must give persons detained or arrested as criminal suspects
57. Misdemeanor – crime of a less serious nature punishable by fine and/or jail up to one year
58. Monetary damages – compensation with money for loss or injury
59. Murder – unlawful killing of another person with malice aforethought
60. Negligence – causing injury by failing to act as a reasonable person
61. Pardon – release from all punishment
62. Plaintiff – one who brings a civil action
63. Plea bargaining – pleading guilty to a less serious crime
64. Probation – punishment allowing liberty under court-ordered supervision
65. Prosecution – government as the party bringing legal action against a person accused of a crime
66. Reasonable-person standard – the standard of fair behavior that a reasonably careful and thoughtful person would observe
67. Recognizance – promise of the accused person to appear in court, without posting bail
68. Remedy – means used to enforce a right or compensate for an injury

69. Robbery – wrongful taking of another's property from their person or presence of another
70. Self-defense – use of force that appears reasonably necessary for the self-protection of an intended victim
71. Slander – oral defamation
72. Strict product liability – responsibility for injury regardless of negligence or intent; usually caused by abnormally dangerous activity
73. Subpoena – written order commanding a person to appear in court as a witness
74. Summons – court order directing the defendant to answer the plaintiff's complaint
75. Tort – an offense against an individual
76. Tortfeasor – one who commits a tort
77. Trespass – wrongful interference with the use of another's property
78. Trial court – first court to hear a dispute
79. Trial jury – panel of citizens sworn by a court to decide issues of fact in court cases
80. Verdict – jury's decision in a case
81. Vicarious liability – responsibility of one person for the torts of another
82. Voir dire – questioning of prospective jurors to expose possible bias
83. White-collar crimes – non-violent crimes committed by an individual or corporation in business
84. Witness – person who has personal knowledge of the facts

## Unit 3: Consumer Protection and Business Regulation

1. Adulterated – product that does not meet minimum standards for purity and quality
2. Affirmative disclosure – court-ordered plan to remedy past discrimination by bringing the percentages of minorities and women in the workforce up to their corresponding percentages in the pool of qualified applicants
3. Bait and switch advertising – luring customers with a nonexistent bargain or understocked, low-priced good so they can be urged to purchase a more expensive item
4. Caveat emptor – let the buyer beware
5. Caveat venditor – let the seller beware
6. Cease and Desist Order – governmental order requiring that certain improper conduct be stopped
7. Class action – legal suits brought on behalf of large groups
8. Consent order – voluntary, court-enforceable agreement between the government and an offender requiring the termination of an illegal or questionable practice
9. Consumer – buyer of goods primarily intended for personal, family, or household use
10. Consumer Product Safety Act – act in 1972 that established the Consumer Product Safety Commission to regulate all potentially hazardous consumer products
11. Consumer Product Safety Commission – agency that issues and enforces safety standards for most consumer products
12. Environmental Protection Agency – agency regulating the creation, marketing, and use of hazardous chemicals, as well as the disposal of toxic waste
13. Express warranty – oral or written guarantee by a manufacturer or a seller
14. False advertising – advertising that makes untrue claims of quality or effectiveness about goods or services offered for sale
15. Federal Trade Commission – agency regulating unfair trade practices
16. Food and Drug Administration – agency regulating safety of food and drugs on the market
17. Gambling – distribution of property by chance among persons who have paid something of value for the opportunity to receive the property
18. Implied warranty – guarantee of quality imposed by law
19. Merchantability – warranty that requires that goods sold be fit for the ordinary purposes for which such goods are used
20. National Bureau of Standards – government body that provides standardized sets of actual weights and measures to the state and local governments
21. Price fixing – competitors agree to charge the same amount for a product or service

22. Restitution – restoring or making good a loss; repayment of money illegally obtained
23. Sanctions – penalties for violations of legal orders
24. Standards – prescribed measures
25. Telemarketing fraud – contacting potential customers by telephone using unfair or deceptive trade practices
26. U. S. Department of Agriculture – federal government agency responsible for meat and poultry inspection
27. Unfair trade practice – dishonest or illegal method of business competition
28. Warranty – statement about the product's qualities or performance that the seller assures the buyer is true
29. Zoning ordinances – law adopted by a city or county to regulate the location of residential, business, and industrial districts

## Unit 4: Fundamentals of Contract Law

1. Acceptance – in contracts, occurs when a party to whom an offer has been made agrees to the proposal
2. Annulment – court order that cancels a marriage because of a problem that existed from the beginning of the marriage
3. Anticipatory breach – notification, before the scheduled time of performance, of refusal to perform the contractual terms as agreed
4. Assignee – party to whom a transfer of contractual rights is made
5. Assignment – transaction by which a party transfers contractual rights to another
6. Assignor – one who transfers contractual rights
7. Bilateral mistake – mistake made by both parties to a contract about the same material fact
8. Breach – failure to provide complete performance of contractual obligations
9. Cancellation – ending a contract for sale of goods because of breach, while retaining other remedies
10. Capacity – ability to understand the nature and effects of one's actions
11. Compensatory damages – amount of money awarded to compensate for a plaintiff's loss
12. Competency license – state requirement for people in certain occupations and businesses to pass exams and receive a license
13. Concealment – failure to reveal material facts
14. Consideration – that which is given or received in a contract
15. Contract – agreement that courts will enforce
16. Contract of adhesion – contract in which the more powerful party dictates all the important terms
17. Counteroffer – reply to an offer with new terms; ends the original offer
18. Delegation of duties – turning over to another party one's duties under a contract
19. Disaffirm – refusal to carry out a voidable contract
20. Discharge – termination of a contract
21. Divorce – court action terminating a marriage

22. Duress – one party uses an improper threat or act to obtain an expression of agreement
23. Executed contract – contract that has been fully performed
24. Executory contract – contract that has not been fully performed
25. Express contract – contract whose terms are stated orally and/or in written form
26. Firm offer – binding offer stating in writing how long the offer is to be held open
27. Forbearance – refraining from doing what one has a right to do
28. Genuine assent – agreement to enter into a contract that is evidenced by words or conduct between the parties
29. Gift – voluntary transfer of ownership without consideration
30. Implied contract – contract that comes about from the actions of the parties; often without exchanging of words
31. Liquidated damages – amount of damages agreed upon before a possible breach of contract
32. Lobbying – the process of trying to influence policymakers in favor of a specific cause
33. Marriage – legal union of a man and woman as husband and wife
34. Mitigation – reducing damages if reasonably possible
35. Necessaries – goods and services essential to maintain one's life and lifestyle
36. Nominal consideration – small amount of money identified in a written contract when parties cannot or do not wish to state the amount precisely
37. Nominal damages – small amount of money awarded to someone who has suffered a wrong but no actual loss
38. Obligor – one who owes a duty under a contract
39. Obstruction of justice – any contract that interferes with the administration of justice
40. Offer – proposal by an offeror to enter into a legal agreement
41. Offeree – party to whom an offer is made
42. Offeror – party who makes an offer to form a contract
43. Option – separate contract arising when the offeree gives the offeror something of value in return for a promise to leave an offer open
44. Parole evidence rule – rule under which oral testimony cannot be used to contradict terms in a complete, final, written contract
45. Past consideration – value given or an act performed before a contract is made
46. Performance – fulfillment of an agreement as promised

47. Prenuptial agreement – contract made before a marriage that sets forth the property rights and support understandings of each spouse in case the marriage ends
48. Promissory estoppel – promise is enforced even though no consideration is given for it
49. Punitive damages – money damages intended to punish and make an example of the defendant
50. Ratification – acting toward the contract as though one intends to be bound by it; approval of a voidable contract
51. Rescission – backing out of the transaction by asking for the return of what one gave and offering to give back what the other received
52. Restrictive trade covenant – promise made by the seller not to compete with the buyer, within a certain geographic area for a reasonable period of time
53. Revenue license – required license imposed by governments on certain occupations for the sole purpose of raising money
54. Revocation – withdrawing an offer before it is accepted
55. Separation – stage in the divorce process in which the spouses maintain their marital rights and obligations but do not live together
56. Specific performance – completion of an agreement as promised
57. Statute of Frauds – law requiring certain contracts must be written and signed in order to be enforceable in court
58. Statute of Limitations – law which sets the time limit for bringing a lawsuit
59. Unconscionable – term or contract that is grossly unfair and oppressive
60. Undue influence – one party to a contract is in a position of trust and wrongfully dominates and takes unfair advantage of the other party
61. Unilateral mistake – important contractual mistake made by only one of the parties
62. Usury – lending money at a rate higher than the state's maximum allowable rate
63. Valid contract – agreement which includes all the essential elements to be an enforceable contract
64. Void – having no legal force
65. Voidable – the right to cancel a contract without legal penalty
66. Wager – bet on an uncertain outcome of an event