FINAL EXAMINATION
SALES
PROFESSOR G. FLINT

ESSAY
PLEASE READ CAREFULLY

ALL ANSWERS ARE TO BE WRITTEN ON THE BLUE BOOKS PROVIDED WITH THIS EXAM. BE SURE TO NUMBER EACH RESPONSE.

There are two questions (time and percent indicated). The Time for completing the examination is two hours.

1. This examination is "open book". You may use your casebook, statutory supplement, and class notes. Use of calculators and cleansed laptops is permitted.

2. Be sure to answer the specific question that is asked. No question calls for a general recitation about a topic from your notes. Information supplied relating to general material from your notes or some unasked question will not increase your score and consumes your time needed to answer the asked questions.

3. If additional facts are necessary to resolve an issue, specify what additional facts you believe to be necessary and why they are significant. You may not make an assumption that changes or contradicts the stated facts.

4. Quality, not quantity, is desired. Think through and briefly outline your answer before you begin to write.

5. Write legibly. Be sure to formulate your answers in complete sentences and paragraphs with proper grammar. Failure to do so will result in an appropriately lower score.

6. Do not seek an interpretation of language in the question from anyone. If you sense ambiguity or typographical error, correct the shortcoming by shaping the question in a reasonable way and by recording your editorial correction in your answer.

Under the Honor Code, when you turn in this examination, you affirm that you have neither given, received, nor obtained aid in connection with this examination, nor have you known of any one so doing. If you cannot make this affirmation, you shall note such fact on your examination and must immediately advise the Dean of the reason therefore.
I. (50 %--1 hour)

Davis Flint Retail, Inc., of San Antonio, Texas, sent an order for 10,000 shirts to Otha Gasaway Manufacturer, Inc., of Dallas, Texas, on November 1. The order specified pastel colors, "FOB San Antonio". Otha Gasaway Manufacturer, Inc., placed 10,000 dark colored shirts on the Nicholas Peltier Railroad Company and obtained a bill of lading on November 10 made out to bearer. The invoice, included in the shipment, says deep dark colors. Otha Gasaway Manufacturer, Inc., mailed the bill of lading to Frank Stainer, Otha Gasaway Manufacturer, Inc.'s agent in San Antonio, on November 11 with instructions not to deliver the bill of lading endorsed to Davis Flint Retail, Inc., until Davis Flint Retail, Inc., had paid. Davis Flint Retail, Inc., refused to pay until they had inspected the shirts. Frank Stainer handed over the bill of lading to Davis Flint Retail, Inc., for purposes of inspection on November 15. Davis Flint Retail, Inc., used the bill of lading to obtain delivery of the shirts on November 16 and discovered the dark colors and the invoice.

Davis Flint, President of Davis Flint Retail, Inc., has entered your associate's office at Blue Stocking Law Firm, P.C. Davis Flint's concern is whether he needs to pay for these wrong shirts and what needs to be done to obtain the correct shirts. What are you conclusions and recommendations on what needs to be done? Be sure to include your reasons and support.
Arunah Hubbell Retailing, Inc., of Texas entered a contract to purchase automobiles from Bateson Crampton Manufacturing, Ltd., of England, "C.I.F. San Antonio." Both the United States and Great Britain are signatories of the Convention on International Sales. The contract stated it was governed by the Texas UCC. Arunah Hubbell Retailing, Inc., was to obtain, and did obtain, a letter of credit on the Stephen Jewell Bank of London, payable to Bateson Crampton Manufacturing, Ltd., upon presentation of a bill of lading made to the order of Arunah Hubbell Retailing, Inc., and a certificate of insurance in the amounts specified in the contract. Bateson Crampton Manufacturing, Ltd., delivered the automobiles to Michael Sweetman Shipping Company and obtained a bill of lading. Bateson Crampton Manufacturing, Ltd., then forged an insurance certificate, and presented the bill of lading and the forged certificate of insurance to Stephen Jewell Bank of London and received payment. On the way to America, the ship of Michael Sweetman Shipping Company sank due to negligence of Michael Sweetman Shipping Company.

Arunah Hubbell, President of Arunah Hubbell Retailing, Inc., has entered your associate's office at Suem & Stickem, P.C. Arunah Hubbell wants to recover the money he paid on the letter of credit since he has received no automobiles. What are your conclusions and recommendations on what needs to be done? Be sure to include your reasons and support.