

VOCABULARY SALES AND CONSUMER ISSUES

Adulterated - A food or drug that contains any substance that will reduce its quality or strength below the minimum standard

Attorney general - The chief law officer of a country or state, at the federal level, the person who also holds the position of secretary of the Justice Department

Auction - A public sale to the highest bidder

Bait and switch - Advertising a non-existent bargain to lure customers so they can be sold a more expensive item

Barter - A transaction in which goods are exchanged for goods

Better Business Bureau - A private, non-government agency that logs complaints and passes them on to businesses that are members. BBB also makes complaints available for public viewing

Bill of lading - A receipt for shipment of goods given by a transportation company (carrier) to the shipper when the carrier accepts goods for shipment

Bill of sale - A receipt that serves as written or formal evidence of the transfer of ownership of goods

Bulk transfer - The transfer, generally by sale, of all or a major part of the goods of a business in one unit at one time

Carrier - A transportation company, ex: UPS, Yellow Freight, Fedex

Cash and carry sale - A sale where the buyer pays for the goods and takes ownership of the goods upon payment, risk attaches upon receipt of goods

Casual sellers - Parties who sell only occasionally or do not otherwise meet the definition of merchant. Also called a non-merchant

Caveat emptor - Latin for "Let the buyer beware"

Caveat venditor - Latin for "Let the seller beware"

Cease and desist order - A legally binding order issued by the court to stop a practice of using advertising that would mislead the public

Class action - A lawsuit that allows one or several persons to sue not only of behalf of themselves but also on behalf of many others similarly wronged

Cooling off rule - Adopted by the FTC to give consumers three business days to cancel most contracts made with door to door salespersons. The rule relates to sales of \$25 or more made outside the salesperson's regular place of business

COD - Collect on delivery; the carrier collects the price and transportation charges upon delivery and transmits this amount to the seller; ownership and risk transfer when the price is paid

Consignment sale - Goods are sent by a manufacturer to a retailer, but **ownership** and risk remain with the manufacturer until goods are sold. The retailer generally does not make payment for the goods unless goods are sold to consumer. If goods do not sell, retailer has right to return unsold goods to manufacturer

Consumer - An individual who acquires goods that are primarily intended for personal, family, or household use

Consumer Product Safety Commission (CPSC) - Sets product standards for hazardous products

Contract to sell - A transaction in which the transfer of ownership is to take place in the future.
Ex: crops, goods yet to be manufactured.

Contracts for the International Sale of Goods (CISG) - The United Nations agreement that regulates international sales contracts

Credit sale - A sale that, by agreement of the parties, calls for payment for the goods at a later date; ownership transfers at the time of transaction, risk attaches upon receipt of goods

Delivery - The act by which the subject matter of the contract is placed within the possession or control of goods

Destination contract - Also called “Free on Board-destination” – requires seller to deliver the goods, title and risk of loss transfer to the buyer at the final destination of the goods

Disclaimer - A notice of exclusion that modify or excludes any implied warranty

Discount - Terms of an invoice where a % reduction is taken on the invoice \$ amount

Existing goods - Goods that are physically in existence even though they may not be in a fully assembled and immediately deliverable condition

Express warranty - An oral or written guarantee by a manufacturer or seller

False and misleading advertising - Advertising that improperly deceives or conceals material facts

Federal Trade Commission (FTC) - Federal agency that enforces the laws of fair trade including the Fair Trade Act

Firm offer – A merchant’s written promise to hold an offer open for the sale of goods

Food and Drug Administration (FDA) - Sets product standards for food, drug, cosmetics and health aids

Free On Board (FOB) - Means goods will be delivered free to the designated place, the location where the title and risk of loss transfer

Full warranty – An express warranty that obligates the seller to repair or replace a defective product without cost to the buyer within a reasonable time

Future goods - Goods that are not both existing and identified

Good faith purchaser - An innocent third party to a fraudulent transfer of goods who gives value for the goods and acquires rights in the property

Goods - All tangible, movable personal property. (per UCC does not include real or intangible property; ie land, money, stocks, bonds, contracts for services)

Guarantee - A promise or assurance of the quality of a product

Identified goods - Goods that have been specifically designated as the subject matter of a particular sales contract

Implied warranty - A guarantee of quality imposed by law but not in writing

Lemon Laws - Protects consumers who return vehicles with major defects to authorized dealerships; exist at both state and federal levels

Limited warranty - A warranty that provides restricted protection

Loss leader - An item priced at cost to draw customers into a store

Lottery - A game of chance, not skills, requiring payment of money to participate and a prize to be won

Magnuson-Moss Act - Regulates the content of written warranties

Merchant - A seller who deals regularly in a particular kind of goods or otherwise claims to have special knowledge or skill in a certain type of sales transaction

Misbranded - False or misleading labeling or packaging of food, drugs, or cosmetics

Ownership - A collection of rights that allow the use and enjoyment of property

Net - Terms of an invoice where 100% of the stated price is paid; ex: noted in the terms section as n/30 meaning net amount due within 30 days of invoice

Parol Evidence Rule - Evidence of oral statements made before signing a written contract cannot be presented in court to change or add to the terms of that written agreement

Payment - Delivery of the agreed-upon price and the concurrent acceptance of it by the seller

Price - The consideration (money) for a sale or contract to sell goods

Product liability - Manufacturers and sellers are responsible for injuries to consumers when they place defective, unhealthy, or unsafe items on the market

Receipt of goods - The buyer takes physical possession or control of goods

Restitution - An order requiring the return of improperly obtained money or property

Risk of loss - The responsibility for loss or damage to goods

Sale - A contract in which ownership of goods transfers immediately from the seller to the buyer for a price

Sale on approval - A sale in which goods are delivered to the buyer in an “on trial” or “on satisfaction” basis

Sale or return - A completed sale in which the buyer has an option of returning the goods

Shipment contract – Also called “Free On Board – shipping point” – the buyer pays freight from the shipping point to the destination, the title and risk of loss transfer to the buyer at the shipping point even if buyer does not yet have possession of goods

Spamming - Sending mass, unsolicited advertisements over the internet

Tender of delivery - To place the goods at the buyer’s disposal or to give notice to the buyer that delivery can be received

Terms - How the payment for invoice is expected; if can be discounted, net payment , or interest added when past due

Title - The right of ownership to goods

Unconscionable contract - A contract (or clause in a contract) that would offend an honest person's conscience and sense of justice. Contract terms do not need to be criminal nor violate a statute, but are merely unethical

Unfair trade practice - A practice that misleads or has the potential to mislead a consumer

Uniform Commercial Code (UCC) – A collection of laws that governs various US business transactions. Article 2 of UCC governs the sales of goods and contracts to sell goods in the future

Unit pricing - Allows consumers to compare prices in relation to a standard unit of measure, such as an ounce or pound

Voidable title - If goods are acquired through fraud, a mistake, undue influence, or by a minor, the title may be voided if the injured party elects to do so

Warehouse receipt - Document given to a customer by the warehouse that is storing his or her goods

Warranty - The seller's assurance to the consumer that goods are not defective and are suitable for the intended use

Warranty of title - Implied warranty that the seller of goods possesses a good, clean title to the goods and the title can be lawfully transferred to the buyer

Warranty of fitness for a particular purpose – Implied warranty in which the seller (who knows the intended use) guarantees that the goods are suitable and fit for the purpose of the buyer's needs

Warranty of merchantability - Implied warranty that makes a merchant liable for goods that are not of fair quality and fit for the ordinary purposes for which such goods are used

Weights and Measures Division of the National Institute of Standards - Promotes uniformity in weights and measures laws, regulations, and standards

VOCABULARY REAL AND PERSONAL PROPERTY

Accession - the right of an owner of property to an increase in that property

Adverse possession - when the land of another private person is adversely and exclusively possessed in an open and notorious way

Assignment - a tenant's transfer of the remaining time on a lease

Bailee - the party who accepts temporary possession and control of another person's property for a specified purpose

Bailee's lien - when a bailee entitled to payment retains possession until paid

Bailment - the transfer of possession without the transfer of ownership

Bailor - the party who temporarily gives up possession of the property

Common carrier - a party that agrees, for a fee, to transport goods for anyone who applies, provided the goods are lawful and fit for shipment

Constructive eviction - if landlord fails to perform duties and tenant refuses to pay rent and abandons premise due to the breach of contract

Conveyance - transaction in which real estate is transferred from grantor to grantee by deed

Covenants - the description in a lease of the rights and duties of the landlord and tenant

Deed - the formal written document used to transfer legal ownership of real property

Easements - irrevocable rights to the limited use of another's land

Eminent domain - the power of the government to take private property for public use in exchange for the fair market price

Equity - the difference between the fair market value of the property and the debt in the property

Escrow - the depositing of money, legal documents, and instructions with a third party to be held until the conditions of a contract are fulfilled

Escrow agent - the neutral third party who conducts the closing in real property sales

Eviction - the owner of a property blocks a tenant from possession of all the real property

Fixtures - items of personal property that are attached or annexed to real property

Foreclosure - the action by a mortgage holder to seize the mortgage property in payment of a debt

Grantee - the one to whom a deed is given

Grantor - the individual who conveys the ownership rights of real property

Gratuitous bailment - a bailment in which only one of the parties benefits

Landlord - the person conveying temporary possession of realty in a lease

Lease - an agreement in which one party receives temporary possession of another's real property in exchange for rent

Lost property - property which the owner unknowingly leaves somewhere or accidentally drop

Mislaid property - property that is intentionally placed somewhere, but then forgotten

Mortgage - a loan for real property

Mutual benefit bailment - a bailment in which consideration is given and received by both the bailor and bailee

Nuisance laws - ordinances enacted by communities to regulate the use of a property owner's land when the use has an objectionable effect on other people

Personal property - something that is either moveable or intangible and the right to use such things

Police power - the government's right to regulate the use of real property for the public welfare, morals and health

Property - a thing, real or personal, tangible or intangible, that is subject to ownership and a group of related legal rights

Quitclaim deed - transfers only whatever interest the grantor has in the property and **does not** warrant that the grantor has any interest

Real property - land building, and those things permanently affixed to them

Rent - the consideration given in return for temporary possession of another's real property

Restrictive covenant - a promise, usually made in writing, by the buyer to the seller that limits the use of land in some way

Security deposit - a landlord's requirement of payment in advance of occupancy that is held to pay for any future unpaid rents or property damage caused by the tenant

Subletting - when the tenant of a property leases all of the property to a third person for a period of time that is less than that remaining on the lease, or leases part of the property to a third person for part or all of the terms remaining on the lease

Tenant - the person receiving temporary possession of realty in a lease

Title - the right of ownership to goods

Tortious bailee - party who wrongfully retains the lost or stolen property of another, includes using bailed property for unauthorized purpose or refusing to return property

Warranty deed - a deed that expressly warrants that the title is clear, without undisclosed claims or encumbrances and that the grantor has the legal ability to transfer the realty described

Warranty of habitability - the obligation of a landlord to make repairs necessary to keep the premises fit to live in. Housing codes may prescribe in detail the required conditions of property

Zoning ordinances - adopted by cities or counties to regulate the location of residential, business, and industrial districts