



# THE UNIVERSITY OF THE WEST INDIES

EXAMINATIONS OF \_\_\_\_\_ JULY \_\_\_\_\_ 19 99

CODE AND NAME OF COURSE: LA 12B - CONTRACT I

DATE AND TIME: WEDNESDAY 4TH AUGUST, 1999 9.00 A.M. DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES: This paper has 2 pages and 6 questions.

## ANSWER THREE (3) QUESTIONS

Answers may be confined to the law of any jurisdiction in the Commonwealth Caribbean unless the context indicates otherwise.

1. Write short notes on any TWO (2) of the following:

- (a) Attempts to evade the doctrine of privity;
- (b) The condition precedent;
- (c) The termination of offers;
- (d) The problem of certainty in contracts;
- (e) The implied term.

2. "... Will you come to dinner on Tuesday?" "I have pleasure in accepting your kind invitation." - constitute a proposal and acceptance, but no legal contract because the parties never intended it to be ... " *per* Scrutton L.J.

Critically discuss this statement with reference to the need for an intention to create legal relations in order to have a binding agreement.

3. Critically examine the circumstances in which an assertion made by one party during negotiations for a contract will become a term of the contract.

4. Peter wrote to Mary, Jane and Anna, offering to sell his "nineteenth century rocking chair" for \$10,000. The letter also stated that the offer would remain open for one week and that he would sell to the person whose letter of acceptance reached him first.

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On receiving Peter's letter, Mary telephoned him purporting to accept but Peter insisted that she send her acceptance in writing. Jane, on receiving her letter, immediately posted an acceptance but the letter did not reach Peter until two weeks later because it was misdirected by the Post Office. Anna also posted a letter to Peter in which she agrees "to buy the chair but would like to inspect it first". Hours after he received Anna's letter, Peter got an offer by e-mail from Laura to pay \$12,000 for the chair. He immediately agreed to sell the chair to Laura.

Advise Peter.

5. Matthew, a pig farmer, agrees to supply Luke, a restaurateur, with 100lbs of pork per week for one year at a fixed sum of \$30,000 payable in advance.

Subsequently, because of a swine fever outbreak in Actus, a country from which most pork and pork products are imported, Government bans the importation of these items. In consequence, the local price of pork doubles.

Matthew approaches Luke with the idea of renegotiating their agreement in light of the increased prices, but Luke insists that Matthew should stick to their bargain.

Later, however, on hearing that local pig farmers are cancelling all their long term contracts, Luke suggests to Matthew that he, Matthew, could deliver 70lbs of pork per week in satisfaction of the contract. Matthew agrees to this and delivers 70 lbs for the next 12 weeks. By the end of this period, the epidemic in Actus is over and importation is again permitted. The price of pork returns to its previous level.

Luke now demands that Matthew revert to delivering 100 lbs. of pork per week and that he makes up the previous shortfall of 360 lbs.

Advise Matthew.

6. Grantley takes his wife's pearl necklace to Jewellers Limited to have the catch replaced. This is not Grantley's usual jeweller but he had used them once before in an emergency and they had done a very good job. As is their usual practice, Jewellers Limited asks for payment in advance. Grantley pays \$50, which is the total cost of replacing the catch, and hands over the necklace. He is then given a ticket which has the work listed and price itemised on the front and standard conditions of sale and repair on the back. One of these conditions reads as follows: "Jewellers Limited accepts no responsibility for any damage to items received." Grantley does not look at the ticket, assuming that it is issued solely for the purpose of enabling him to redeem the necklace. The same condition is printed on a card fixed to the side of the cash register. When Grantley collects the necklace and examines the work, he discovers that the pearls on either side of the new catch have been badly scratched. Grantley complains to the manager of Jewellers Limited who points to the clause on the back of the ticket and to the notice at the cash register and refuses to pay any compensation for the damage.

Advise Grantley.

**END OF PAPER**