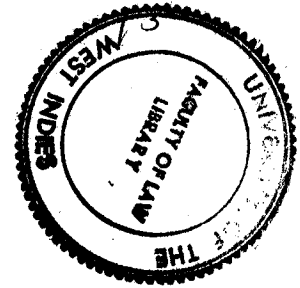




# THE UNIVERSITY OF THE WEST INDIES

EXAMINATIONS OF JULY 2001



Code and Name of Course: LA12B - LAW OF CONTRACT I

Date and Time: Monday July 30, 2001 A.M.

Duration: 2 HOURS

INSTRUCTIONS TO CANDIDATES: This paper has 3 pages and 6 questions

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Answer **THREE** Questions, at least one of which must be from **Section B**.  
Answers may be confined to the law of any jurisdiction in the Commonwealth Caribbean unless the context indicates otherwise.

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## SECTION A

1. Write brief notes on any **TWO (2)** of the following:
  - (i) The doctrine of promissory estoppel;
  - (ii) *Non est factum*;
  - (iii) The classification of contract terms;
  - (iv) Incompleteness in contracts;
  - (v) The acceptance of mistakenly expressed offers.
  
2. "The rule that only to a party to a contract may sue on it is unfair and no longer serves any useful purpose."  
  
Critically examine this proposition.
  
3. "No person can enforce a contractual promise unless she gave sufficient consideration for it."  
  
Define "sufficient consideration" in this context.

**SECTION B**

4. A fax from Tracy to Una and copied to Victor, Wesley and Yvette arrives at Yvette's desk. The fax states that Tracy has a new leather Gucci handbag for sale and is willing to sell it to anyone of them who can first pay the asking price of \$2500 cash and produce a written contract for her signature. Victor, who wants the bag for his wife, immediately sends off a cheque for the required amount and a written contract by post to Tracy. This mail never arrives. Wesley takes the money over to Tracy's house, promising to return with the written contract later. The next day, Yvette takes both the money and the contract for Tracy but Tracy refuses to take the money or to sign the document, claiming that she is already bound to sell the bag to Wesley.

Advise Yvette.

5. Albert hires out cars to visitors. During negotiations for the hire of a car from Albert, Brian is told that the car has been recently serviced, that Albert has just installed a new battery and that the vehicle is certain to prove pleasurable driving. Brian then agrees to hire the car for \$250 per day and signs an agreement to this effect. This agreement is silent as to any of the matters mentioned during negotiation. In the event, the car proves to be a disaster, it breaks down four times in twelve hours, mainly because, as Brian learnt, the battery needed changing. When Brian looks at the written agreement he sees that it contains a clause which seeks to exclude Albert from any liability for loss caused by defects in the vehicle.

Advise Brian.

6. Answer any **TWO (2)** of the following:

- (i) Harry agrees to take his wife, Ingrid, to dinner on her upcoming birthday and to provide her with a monthly personal income of \$1000 while she is away in New York pursuing postgraduate studies. He also arranges with his buddy, Jack, for them to contribute \$100 each to the purchase of lottery tickets. When one of their tickets wins a \$10,000 prize, Jack refuses to share it on the basis that he alone chose the numbers on the ticket. Harry, who has by now become infatuated with his secretary, Kim, does not take Ingrid to dinner on her birthday, nor has he sent her any money since she left in early September to pursue her studies.

Advise the parties.

- (ii) Lana offers a reward of \$250 to anyone who finds her lost dog. Mike, who is unaware of the reward being offered, is followed home by Lana's lost dog one evening. When told by his wife that a reward has been offered for a lost dog fitting that description, Mike takes the dog over to Lana's house. Lana thanks Mike for the return of the dog but informs him that the reward has recently been withdrawn.

Advise Mike.

- (iii) Prepare a brief note on the law relating to each of the following in the context of exemption clauses.
- (a) The *contra proferentem* rule
  - (b) The fundamental breach doctrine.
  - (c) Incorporation of the clause by a course of dealing.

**END OF PAPER**