



THE UNIVERSITY OF THE WEST INDIES

EXAMINATIONS OF _____ AUGUST _____ 2002 _____

CODE AND NAME OF COURSE: LA12B - LAW OF CONTRACT I

DATE AND TIME:

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. "An offer may usually be revoked at any time before acceptance."
Critically examine this proposition with regard to unilateral contracts.
2. Critically analyse the condition precedent.
3. What techniques are available to the courts at common law to mitigate the potential effects of exemption clauses?
4. Alice sends identical e-mails to both Bert and Clara one morning: "I have a palm pilot (hand-held computer) that I would let you take off me for \$500 cash. That's my lowest price."

Bert immediately responds to Alice by fax to her workplace: "I accept your offer. Can I pay you in four instalments?"

Clara posts a letter to Alice, stating that she would pay \$750 for the instrument on the condition that Alice would accept this sum. Later that morning however, Clara calls Alice and tells her that she is willing to buy the palm pilot for \$500 cash as asked by Alice.

Alice tells Clara that she will think about it and get back to her in a couple of days but that she will deal with no one else during that period. Clara agrees to this.

However, when Alice reads Bert's fax on reaching her office, she decides that she will sell the palm pilot to neither Bert nor Clara and sells it instead to Dean for \$250.

Discuss the issues.

P.T.O

5. Answer **EITHER** (a) **OR** (b)

(a) "The common law of privity of contract is in serious need of reform."

Critically discuss.

(b) Analyse the view that the giving of legal consideration is a necessary precondition for the enforcement of an agreement by a party thereto.

6. During negotiations for the sale of his jetski to Karl, Leslie assures Karl, quite untruthfully, that it is in good working condition, that it can reach a speed of 40 mph (the legal speed limit is 25 mph) and that it has recently been completely overhauled. Karl is keen to buy the jetski because he has seen Leslie's success with the girls on the beach as a result of riding the jetski. After agreeing on a price of \$1500 for the jetski, the two draw up a written contract which contains the following clauses, *inter alia*:

(i) It is a condition of this agreement that the jetski should be repainted in blue three days before delivery to the buyer;

(ii) This agreement is subject to the jetski passing "a wave test" under the supervision of Melda;

This written contract does not include any of Karl's oral assurances.

Two days before the jetski is to be delivered to Karl, he purports to withdraw from the agreement on the grounds that none of Karl's oral statements is true and that he has not yet repainted the jetski.

Advise Karl.

END OF QUESTION PAPER