



# THE UNIVERSITY OF THE WEST INDIES

**EXAMINATIONS OF**      **DECEMBER 2000**

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**CODE AND NAME OF COURSE:**    LA21A LAW OF CONTRACT II

**DATE AND TIME:**

**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.      “The availability and nature of the damages for misrepresentation are dependent on the type of misrepresentation ...”

Critically discuss the circumstances in which damages may be awarded for an actionable misrepresentation.

2.      “[A] narrow doctrine of common law mistake supplemented by the more flexible doctrine of mistake in equity seems to me to be an entirely sensible and satisfactory state of the law ...”

Critically analyse this statement.

3.      Examine the factors used by the courts to limit the compensatable damage flowing from a breach of contract.

PLEASE TURN OVER

**SECTION B**

4. Under the Telecommunications Act 1986 of Barbados, it is stipulated that all video clubs which carry on the business of video cassette sales and rentals must pay a yearly licence fee of \$500. It is further provided that any infringement of this requirement is punishable by a fine of \$500 on summary conviction. Arnold is the owner of the Modern Video Club which sells and rents video cassettes. He has not paid the licence fee for this year. Last month, he rented the video of an award-winning movie to Brad. He also sold a blank tape to Colin.

Arnold is aware that Colin intends to use the blank tape to record a blue movie for private distribution, but he does not know that Colin is responsible for the production of the movie.

In order to defray the expenses of production, Colin borrows \$1500 from Arnold, but he does not tell Arnold what the money is for.

To this date, as Arnold instructs you, Brad has not yet returned the borrowed tape. The overdue fees amount to \$50. He also informs you that he learnt only yesterday that Colin has started production of the movie, but is not yet finished.

Advise Arnold.

5. Donald owns two cars, a white Ford Laser and a blue Toyota Yaris, which he hires out to visitors. On October 5, Donald agrees to rent one of the cars to Erica for the week October 14-20, for \$500. The agreement does not specify which car is to be allotted to Erica, but she pays a deposit of \$100.

On October 8, Donald agrees to hire the blue Toyota Yaris to Erica's cousin, Frank, from October 14. Frank tells Donald that he wants to use the car to go to a friend's wedding and he also informs Erica of the transaction with Donald.

On October 10, while returning home from a social engagement, Donald, who is driving the white Ford Laser, negligently crashes into a telephone pole. The car is a total wreck but Donald is unhurt.

Later that day, he hears from Frank that the wedding is cancelled and that he, Frank, would not be needing the car anymore.

Advise Donald who has spent \$500 in refurbishment expenses on each car.

PLEASE TURN OVER

6. Advise in any **THREE (3)** of the following fact situations:

- (i) George contracts with Howard, a clock repairer, to have Howard repair his antique ship captain's clock. The contract stipulates that the repairs should be completed by November 15, so that George can include it in an antique roadshow on November 25. On November 15, the clock is not yet ready, nor is it ready one week later;
- (ii) The December 1998 agreement between IDT Consulting Co. Ltd. and Jaycom Publishing Inc. provides that Jaycom should publish, for an initial three year period, a monthly newsletter for IDT for a fee of \$10,000 per month. The fee is payable on or before the 15<sup>th</sup> day of each month following. For the past nine months, IDT has been late with payments. Jaycom informs IDT that it shall not be publishing the newsletter any longer unless the fee is now paid on delivery of the newsletter;
- (iii) The senior partner of your firm has asked you to prepare an abstract opinion for him, advising as to the circumstances in which a contract may be rescinded for breach even if no substantial loss is caused to the victim;
- (iv) Kenya, an interior designer, enters into a contract with Louis, an oil tycoon, to refurbish a 'luxury flat' penthouse from December 10-12, for \$75,000. Because Louis is expected to be out of the country at that time, he gives Kenya the key to the penthouse flat. However, on December 8, Louis informs Kenya that he is no longer interested in the redecoration and is therefore "pulling out" of the contract.

**END OF PAPER**