

UGANDA MARTYRS UNIVERSITY  
NKOZI  
UNIVERSITY EXAMINATION  
JULY 2022  
FACULTY OF LAW  
BACHELOR OF LAWS (LLB) YEAR 1 END OF SEMESTER TWO FINAL  
ASSESSMENT ACADEMIC YEAR 2022  
LAW OF CONTRACT II  
COURSE CODE LLB 1207

DATE: Wednesday, 20<sup>th</sup> July 2022

TIME: 9:30am–1:00pm

DURATION: 3HRS:30minutes

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**Instructions:**

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1. Carefully read through ALL the questions before attempting
2. **This examination is composed of two sections: A and B. ANSWER A TOTAL OF FOUR QUESTIONS selecting AT LEAST ONE QUESTION FROM EACH SECTION. All questions carry equal marks, (25)**
3. No **names** should be written anywhere on the examination book.
4. Ensure that your **Registration number** is indicated on all pages of the examination answer booklet.
5. Ensure your work is **clear** and **readable**. Untidy work shall be penalized
6. **Clarity of expression, provision of relevant authorities/examples and logical arguments will earn you extra marks**
7. Any type of examination Malpractice will lead to automatic disqualification
8. Do not write anything on the questions paper.
9. Use the exam answer booklet for all your rough work

## SECTION A

### QUESTION ONE:

With aid of statutory provisions, case law and other relevant authorities, discuss the various situations in which illegality may operate as a vitiating factor and explain the effect of an illegality on a contract **(25 marks)**

### QUESTION TWO:

a) Specific performance is one of the equitable remedies available to an aggrieved party in case of breach of the contract and is only awarded upon the discretion of court. With reference to the Contracts Act 2010 and case law, Explain the factors that guide the court in exercising its discretion in granting or not granting the remedy of specific performance. **(15 marks)**

b) Discuss other common law and equitable remedies available to contracting parties in case of breach of contract. **(10 marks)**

### QUESTION THREE

Explain the following, supporting your explanation with legal authorities:

- a. Doctrine of Non est factum **(5 marks)**
- b. Mistake as to identity **(5 marks)**
- c. Res extincta **(5 marks)**
- d. Discharge by performance **(5 marks)**
- e. Anticipatory breach **(5 marks)**

### QUESTION FOUR

a) Under what circumstances may silence amount to a misrepresentation? **(10 Marks)**

b) What are the bars to the remedy of rescission? **(15marks)**

## SECTION B

### QUESTION FIVE

Money Mane is a violent aggressive businessman around Kampala. Yesterday, he forced his way into Solome's home in Kololo with a gun and made her sign transfer documents which transferred Solome's car into Money Mane's name. Solome was also made to sign a sale agreement in Mane's favour. Mane, throughout the transaction was pointing a gun at Solome. The agreement and transfer documents were to the effect that Money Mane had paid cash which was not true.

- a. Advise Money Mane and Solome on their rights and liabilities (IF ANY) **(10 marks)**



- b. If Money Mane had threatened to detain Solome's goods in her shop in Kikuubo, would your advice to her be different, and if so, why? (15marks)

### QUESTION SIX

Estella agrees to give Pearl private tutorials for his Bar Course Pre-Entry examination to be held in eight months' time. The fee is 2,000,000/= of which Pearl pays 1,000,000/= with the balance to be paid on completion of the tutor sessions. Estella spends 800,000/= in preparation of some printed tutorial notes. After two months, Estella goes to Kenya for a weeklong Christmas holiday. Whilst on holiday, she is wrongly arrested, having been mistaken for a notorious Al-shabab criminal, and detained for two months. On her return to Uganda, she discovers that Pearl has engaged another tutor a one Hajara Sula and is demanding the return of her 1,000,000/=. Estella sues for the balance of 1,000,000/=.

- i. Advise Estella.
- ii. How would your answer differ, if at all, Estella had been convicted and detained for shoplifting at a Kenyan shopping mall? (25 marks)

### QUESTION SEVEN

Reda the following scenario and answer the questions that follow:

Nabatanzi is a successful businesswoman. Owing to her success and large wealth, she attracts many potential business partners and some of the partners subject her to pressure when negotiating such business deals as many of the potential partners know that she can afford to pay large sums of money. Nabatanzi is used to some of these pressures but is particularly concerned in relation to the following contracts for which she wants you to advise her:

- a) Hamza sent Nabatanzi a personal email which states, "You must sell me five acres of your land in Masaka city for 1m UGX each or there will be blood split, I know who your daughter is". Nabatanzi went ahead and did what Hamza asked because she felt like she had no other alternative but to do so in order to protect her daughter. **Does Nabatanzi have any remedy against Hamza in relation to duress or undue influence?**
- b) Contract two is between Nabatanzi and her Lawyer. Nabatanzi's lawyer has been persuading Nabatanzi to enter into a contract which she feels isn't very advantageous to her. Nabatanzi's lawyer has pestered Nabatanzi over a sustained period of time and Nabatanzi has felt pressure to take the contract in order to keep a good working relationship with her lawyer. **Does Nabatanzi have any remedy against her lawyer in relation to duress or undue influence?**
- c) Contract three is between Nabatanzi and one of her suppliers. Nabatanzi desperately needs the goods from the contract in order to use them in another contract. The suppliers are refusing to give Nabatanzi the goods unless she pays them double the price. There are no other suppliers



of these goods, therefore Nabatanzi pays the price. **Does Nabatanzi have any remedy against her suppliers under the economic duress principles?**

## QUESTION EIGHT

Read the following scenario and answer the questions that follow:

Wako has entered into a contract with Ngobi to build an extension to Ngobi's house for shillings 160million. He has almost finished the extension but cannot obtain the special floor tiles that Ngobi wanted installed. He has therefore installed slightly different floor tiles. Ngobi still wants the original floor tiles specified in the contract and is refusing to pay all or any part of the contract price until the contract is fully completed. The cost of replacing the wrong tiles is shillings 3million.

Wako also had a contract with Pam to install a second kitchen and bathroom in her house for shillings 40million. The alterations would enable Pam's mother to come live with her. Wako had finished the bathroom and about to begin work on the kitchen when Pam's mother died. Pam therefore told Wako to stop work on the second kitchen.

- a) A contract is discharged when it is performed entirely. Identify and explain four exceptions to this rule

Applying the relevant exceptions referred to in part a) above, explain:

- b) Whether Wako can bring a successful action against Ngobi for shillings 160million which is the contract price for the extension?
- c) Whether Wako can bring a successful action against Pam for the work done on the bathroom?