

UGANDA MARTYRS UNIVERSITY,
NKOZI/LUBAGA/MASAKA CAMPUSES

FACULTY OF BUSINESS ADMINISTRATION AND
MANAGEMENT

DEPARTMENT OF MANAGEMENT SCIENCE

BAM II & BSC ACC & FIN II SEMESTER TWO 2022/2023

COURSE UNIT: LAW OF CONTRACT

DATE: Wednesday, 24th May 2023

Time allowed: 9:30am -12:30pm

Instructions to Candidates:

Read the following before answering the examination questions.

1. Do not write anything on this question paper.
2. This is a **PARTIALLY OPEN BOOK** exam. Students are allowed to carry only clean copies of the Contracts Act of Uganda, 2010 into the Examination room. No other reading material shall be allowed into the examination room. Any student caught with a Contracts Act that is written in or any other reading material shall be automatically disqualified from sitting the exam.
3. Attempt a total of only **FOUR** questions of your choice.
4. Each question carries 25 marks.
5. Answers that are well thought out, well structured, and authoritatively supported will earn you higher marks.

QUESTION ONE

The general rule is that past consideration is not sufficient consideration. Critically discuss the meaning of this rule clearly citing the exceptions to the rule (if any). (25 marks)

QUESTION TWO

Ivan Bob comes to you crying. He tells you that he purchased a MacBook Air laptop from Dondolo Ltd to enable him efficiently prepare his school course works without having to wait in a queue at the computer laboratory at UMU to use the university computer. He informs you that he paid the full purchase price amounting to UGX 4,000,000/- (Uganda Shillings Four Million only) and was given a receipt of payment. That he was told to pick his laptop in 2 days because the shop attendant wanted to install for him Microsoft office. It is now coming to over three months and the school semester is coming to an end but he has never been given his laptop. Whenever he goes to Dondolo Ltd to ask for his laptop, the shop attendant keeps tossing him up and down and telling him that his laptop was mistakenly sold and they don't have them in stock at the moment yet he has observed other people come to the store and purchase similar laptops. Sympathizing with Ivan Bob is not going to solve his problem. As a law of contract student, advise Ivan Bob on the common law and equitable remedies available to him for breach of contract. (25 marks)

QUESTION THREE

Write short notes on the following:

- i) Invitation to treat (10 marks)
- ii) Undue Influence (10 marks)
- iii) General and Special Damages. (5 marks)

QUESTION FOUR

A party relying on an exclusion clause must show that it amounts to a term of a contract. He or she must show that the clause has been incorporated into the contract. Explain the different ways in which an exclusion clause may be incorporated into a contract. (25 marks)

QUESTION FIVE

The whole essence of business life is the making of contracts such as contracts to buy and sell goods, contracts to perform certain work or provide certain services etc. As business students, it's vital to know what a contract is and when we have one. Examine the essential features of a valid contract. (25 marks)

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QUESTION SIX

Discharge of a contract generally means that the obligations of the parties have come to an end. Explain the different ways in which a contract may be discharged. (25 marks)

QUESTION SEVEN

An offer is not cast in stone. There are various ways in which an offer may be terminated. Discuss these various ways (25 marks)