

UNIVERSITY EXAMINATION

December 2023

FACULTY OF LAW

**BACHELOR OF LAWS (LLB) YEAR 1 END OF SEMESTER ONE FINAL
ASSESSMENT ACADEMIC YEAR 2023/2024**

LAW OF CONTRACT I

LLB 1102

DATE: Wednesday, 13th December 2023

TIME: 9:30 AM– 1: 00 PM

DURATION: 3 & HALF HRS

Instructions:

1. Carefully read through ALL the questions before attempting any questions.
2. This examination is composed of seven (7) questions. Answer any **FOUR (4)** questions, selecting at least one question from each section.
3. This is a **STRICTLY CLOSED BOOK** examination. No printed or written materials in any form should be taken into the examination room and/ or looked at therein.
4. No **names** should be written anywhere on the examination book.
5. Ensure that your **registration number** is indicated on all pages of the examination answer booklet.
6. Ensure your work is **clear** and **readable**. Untidy work shall be penalized
7. **Clarity of expression, provision of relevant authorities/examples and logical arguments will earn you extra marks**
8. Any type of examination Malpractice will lead to automatic disqualification
9. Do not write anything on the questions paper.
10. Use the exam answer booklet for all your rough work

SECTION A

Question One

Explain the law on intention to create legal relations in the law of contract. **(25marks)**

Question Two

"It is now established that a stranger to the consideration cannot take advantage of the contract although made for his or her benefit". Per Wightman J in *Tweddle v. Atkinson* (1861). Discuss the above statement. **(25marks)**

Question Three

"Part payment of debt is not good consideration".

Discuss the above statement using relevant authorities explaining exceptions thereunder if any. **(25 marks)**

Question Four

Under what circumstances may a minor be held liable under the law of Contract?

(25 marks)

SECTION B

Question Five

a) What do you understand by the expression contractual capacity? Illustrate your answer with examples. **(5marks)**

b) Susan, aged 17 years entered into the following agreements:

i) A contract with a tailor to supply her with new suit and other clothes for 1,000,000/= **(5marks)**

ii) A partnership agreement **(5marks)**

iii) A contract of apprenticeship **(5marks)**

iii) A loan of 2,000,000/= at 10% interest to be paid in two years. **(5marks)**

Advise Susan which of the agreements are binding upon her.

Question Six

Read the following scenarios and advise the parties accordingly

a) Halima wrote to Afizu offering to sell him her vitz car at 15,000,000/=. Afizu wrote back indicating his interest in buying the car but stating that the 15,000,000/= was high, he is prepared to pay 10,000,000/= for the car. Halima thought Afizu's offer was on the lower side so she did not bother to respond to him. Three days later, Afizu came to Halima's premises with 15,000,000/= in cash and sought to pay for and take the car only to be told that Halima had sold the car to John that very morning.

Afizu is furious and is contemplating filing a suit against Halima.

Please advise Afizu. **(5marks)**

b) Namutebi had a conversation with her nephew Mutebi about buying his used motorcycle. After their conversation, Namutebi responded through an email that if she did not hear any more concerning the motorcycle from the nephew, she would consider the acceptance to sell the motorcycle confirmed and would consider it hers. Indeed, the nephew did not reply the email and when she came to pick up the motorcycle from her nephew's place of business, she was informed by the nephew's assistant that the motorcycle has been sold. She is furious and wants to bring a claim against the nephew for breach of contract. Please advise her. **(5marks)**

c) Explain the different modes through which an offer may be terminated **(15marks)**

Question Seven

(a) Explain the approaches used by the courts to protect a weaker party from the unfairness of exclusion clauses **(15marks)**

(b) Mukisa buys the latest version of a "Subaru Forester" from an experienced car dealer for shs.25 million. While driving home, the car breaks down after covering five miles, upon which Mukisa calls a mechanic who discovers on checking the vehicle that its engine is for a very old Honda car. In fact, the front part of the car is a mere shell. Before purchasing the said car, Mukisa had signed a sale agreement that read: "Any express or implied condition, statement or warranty, statutory, or otherwise is hereby excluded." Mukisa actually signed the sale agreement but had not read the relevant clauses. He now wants to sue in respect of the unsatisfactory nature of the car sold to him demanding for a refund of his shs. 25 million and for damages for breach of contract. Please advise him **(5marks)**

(c) Swaliki While on a business trip went to a The Trendy Hotel where he signed in at the reception and when he went to his room, he found a notice on the inside of the door

excluding management from any liability for theft. Later on, his suitcase was stolen with all the money he wanted to use for his business. He now wants to institute legal action against the Hotel and has sought your advice in that regard. Please advise him accordingly. **(5marks)**

Question Eight

Explain the following terms/ principles as used in the Law of Contract

- a) Past consideration **(5marks)**
- b) The effect of silence on acceptance **(5marks)** ^{-vnl-}
- c) Invitation to treat **(5marks)**
- d) Conditions and warranties **(10marks)**