

**THE UNIVERSITY OF HONG KONG  
FACULTY OF LAW  
2024 – 2025**

**JD Law of Contract I (JDOC1001) Examination**

**Date: December 17, 2024**

**Time: 9:30 am – 11:30 am**

**Please read the following instructions carefully before you begin.**

**Instructions**

1. This examination consists of two questions. Both questions are weighted equally. You have two hours for the examination, inclusive of reading time. Please allocate as much time to each question as you deem appropriate.
2. This is a computer-based examination. If you encounter technical problems, you should raise your hand immediately for assistance.
3. You should separate each answer by use of the divider on the examination platform. Failure to do so may result in your examination being partially graded.
4. You may refer to any written or printed materials, including the textbook, lecture slides and class notes. You are not permitted to use any electronic devices except your laptop. You are also not permitted to access the internet or refer to electronic materials on your laptop.

## **Question 1**

*Eloise Lam is an online influencer and social commentator. Eloise cultivates an edgy, “you only live once” persona under her handle WhySoSerious. She frequently engages in irreverent banter and endorses socially controversial positions on her Twitch livestreams. Eloise’s livestreams attract tens of thousands of viewers who are drawn to her refreshing and confrontational style. These livestreams can be accessed by anyone but only subscribers who pay a monthly fee can post in the chat.*

*Eloise was livestreaming at 2 a.m. one night when a subscriber asked her in the chat whether she thought that marijuana should be legalized in Hong Kong. Eloise said: “Yes, we should keep an open mind about such things. Marijuana is made from plants, like herb jelly or green tea. As a natural product, it is harmless so long as you do not overdose on it. If anyone can prove to me right now that marijuana is harmful to the human body, I will pay her a million dollars. I will wait.”*

*Five minutes later, a subscriber, Jonathan Kwok posted a link to the Wikipedia article titled “Effects of cannabis”. Jonathan also copied and pasted a paragraph from the article stating that “[c]annabis use can decrease blood pressure, which increases the risk of fainting”. Eloise saw the message but dismissed it, saying: “That’s just Wikipedia that’s not proof.” The livestream gradually moved on to other topics.*

*That afternoon, Eloise posted a video recording of her Twitch livestream to her YouTube channel. Videos in Eloise’s YouTube channel are publicly visible. A few hours later, a university student, Apple Chan, posted a comment under the YouTube video of the livestream. The comment contained links to two articles in medical journals reporting the presence of carcinogenic substances in cannabis smoke.*

*Both Jonathan and Apple believe they are entitled to the million-dollar reward and have served letters of demand on Eloise.*

**Advise Eloise on any defences she may have to Jonathan and Apple’s claims.**

## **Question 2**

*Ocean runs a farming business, Mangoes for the People, in which he grows mango trees and produces mangoes to be sold to local shops in Tai Po. Ocean's farm spans two different allotments near Tai Wo. Ocean wants to wind down his business and, to that end, has advertised that he is selling one of his two allotments.*

*Alex is a prospective buyer who runs a farming business specialising in bananas. After seeing Ocean's advertisement, she thinks that buying the allotment would be a good way to expand. She meets Ocean to discuss the purchase. During the discussion, Alex asks: "I know you have been growing mangoes, but is the soil good for growing bananas too?" Ocean replies: "It should be good for bananas too, but I haven't checked myself and I am not a banana expert. Maybe you should get someone who knows better to check it out, to be sure." Alex is satisfied with Ocean's words and does not seek further advice.*

*A week later, Alex and Ocean conclude a contract for the sale of the allotment, under which Alex pays Ocean HK\$10 million. After a few months, it becomes clear to Alex that the soil of the allotment is not good for growing bananas. Alex's banana trees die, causing her a loss of HK\$500,000. Soon after realising that the soil is not good for bananas, Alex speaks to her lawyer and, based on the advice received, sends an e-mail to Ocean stating that she wants him to take back the allotment, wants her money back and wants Ocean to cover her HK\$500,000 loss. Ocean replies that the contract contained Clause 7 as follows:*

*"The seller will not be liable for any damage whatsoever, howsoever caused, and also will not be liable in respect of any loss arising from the buyer's reliance on any statement which may have resulted in the buyer's concluding the present contract."*

*Alex has never seen the clause, which is not in the documents she has signed. However, Alex spots a few lines in the e-mail that Ocean sent her to forward the draft contract, stating as follows: "When I was scanning the pages of the contract that I have attached to this message, I couldn't find the last page. I will send it over ASAP." Ocean never sent that last page, which contained Clause 7. Moreover, Alex thinks that Clause 7 surely means that she can get the contract price back. Alex is not sure whether Clause 7 means that Ocean has no obligation to give her the HK\$500,000 to cover her loss.*

**Advise Alex.**

**End of Paper**