

**THE COUNCIL OF COMMUNITY COLLEGES OF JAMAICA**

**ASSOCIATE OF SCIENCE DEGREE**

## **COURSEWORK**

**SEMESTER I – SEPTEMBER 2012**

**PROGRAMME: BUSINESS STUDIES**

**COURSE NAME: BUSINESS LAW**

**CODE: (BLAW2401)**

**YEAR GROUP: TWO**

**DATE:**

**TIME:**

**DURATION:**

**EXAMINATION TYPE: COURSEWORK 3 – GROUP**

**DUE DATE: FIRST WEEK IN NOVEMBER 2012**

**INSTRUCTIONS: CASE STUDY – Using the common law principles of Contract, answer the following question.**

### **SECTION A**

**Using the common law principles of Contract, answer the following question.**

On June 1, Claude by letters, offered to sell his 2011 Honda CRV for \$3m to Sonia, Jen and Harris. He stated in the letter that the offer would remain open until June 8. Both Sonia and Jen received the letters the same day the letters were sent. (**Invitation to Treat**)

Sonia, on receiving the letter, thought it was a good price and immediately replied to Claude stating that she was interested in buying the car and that she wanted an expert to give his opinion on the vehicle. She sent a cheque for \$1m with her letter to show her commitment in buying the car, requesting that Claude should not show the car to anyone until she gives her feedback on June 8. On receiving the cheque, Claude immediately lodged the cheque in his bank account. (**Acceptance, Simple Contract, Consideration, Express Contracts**)

Jen, on receiving the letter, immediately phoned Claude (**Acceptance**) , but did not get him so he left a message on his answering machine stating that he would pay \$2.5 for the vehicle. (**Counter Offer**) Claude did not check his machine. Jen waited for Claude's response, however not wanting to lose the car, left another message saying he would pay \$3m. Claude retrieved both messages on June 3.

On the 5<sup>th</sup> June, Claude decided to advertise the vehicle, hoping to get more for it (**Invitation to Treat**) (**Breach of Contract - Discharge by Breach**). Marty, seeing the advertisement came to Claude and introduced himself as Mr. Markland, the owner of a popular guest house in town (**Misrepresentation**). He knew of the guest house, so he did not ask him for any identification. He gave Claude a cheque for \$2.6m (**Counter Offer**) and drove away the car. The cheque was dishonoured. Claude also discovered that Marty was not Mr. Markland. The car has been resold to Sheryl, a doctor and the man has absconded with the money.

Harris returned home on June 7 and saw the letter from Claude. Five minutes later Claude called Harris and personally told him that he was withdrawing his offer to sell him the car. Harris still proceeded to post his letter of acceptance on June 8<sup>th</sup> to Claude.

Claude checks into the Mardi Gras Hotel and after registering at the front desk he went to his room and there he saw a very large notice over the bed which stated that the hotel was not liable for any losses and/or damage suffered by any guests while on the property. He left his gold watch and bracelet in the room and went to dinner; He gave the key to the receptionist for safekeeping. When he returned to the room, he discovered that the jewellery and other important documents were missing. The hotel denies liability for the loss of the items. (**exclusion or exemption clause, Limitation Clause**)

Advise Claude in all these situations.