

COUNCIL OF LEGAL EDUCATION



PRE-BAR EXAMINATIONS

SEPTEMBER, 2010

LAW OF CONTRACT

Instructions

- (a) Candidates **MUST** answer Question **One** and any other 3 questions
 - (b) All questions carry **25 marks** each
 - (c) Time allowed is **3 hours**
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1. (a) Define a contract and highlight any four distinctions between a contract and a tort.
(10 marks)

(b) "Generally however, consideration will be regarded in law as insufficient where the defendant promises to discharge a duty already imposed on him on account of other reasons" *Anonymous*
Discuss FIVE instances when the consideration will be considered as insufficient in the Law of Contract.
(15 marks)
2. (a) Aided by clear examples, explain the general classes into which contracts may be divided.
(15 marks)

(b) A contract originates from the stand point of offer. Explain SIX ways in which an offer may be terminated.
(10 marks)
3. (a) Certain types of contracts are forbidden at common law and therefore *prima facie* illegal. Highlight any such **FIVE** contracts.
(15 marks)

(b) Explain the meaning of the following types of damages.

- (i) Liquidated damages
- (ii) Unliquidated damages
- (iii) Substantial damages
- (iv) Nominal damages
- (v) Exemplary damages

(10 marks)

4. The doctrine of privity of contract presupposes that a stranger to a contract can neither take the benefit nor the burden of its terms.

Discuss any **FIVE** exceptions to the doctrine.

(25 marks)

5. (a) A contract may be discharged in various ways. Explain any **FIVE** ways in which a contract may be discharged.

(10 marks)

(b) For a contract to be valid, the consent of the parties must be genuine and not induced by other factors. In relation to this legal proposition explain the meaning of the following concepts:

- (i) Misrepresentation
- (ii) Mistake
- (iii) Duress
- (iv) Undue influence
- (v) Frustration

(15 marks)

6. (a) Discuss the various remedies available in equity for breach of contract.

(10 marks)

(b) Explain the meaning of intention to create legal relations and the approach adopted by the courts in determining whether or not there was intention to create legal relations in a contract.

(15 marks)