



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**  
**SCHOOL OF LAW**

**MARCH / APRIL 2014 EXAMINATION**

**COURSE CODE: LAW 234**

**COURSE TITLE: (CONTRACT II)**

**TIME ALLOWED: 3 hrs**

**INSTRUCTION: ANSWER FOUR QUESTIONS IN ALL**

**QUESTION 1 IS COMPULSORY, AND ANY OTHER THREE QUESTIONS**

- 1a. Ako and company Ltd promised to supply Otunba and company Ltd 100tons of cement at a fixed price within one month. However before the expiration of one-month the Managing Director of Ako and company informed Otunba and company that he did not intend to keep his promise anymore. Advise Otunba and company.
- b. Chief Saso Milo, the manager of Glass Hotel agreed to let the conference hall of his hotel to the National Open University for their last convocation ceremony held in January 2014. The hotel was destroyed by fire before the date of the convocation. NOUN authority has fully paid the hall. Advise the parties.(17½ marks)
2. What do you understand by the privity rule under the law of contract? Discuss at list three exceptions to the rule. (17½ marks)
3. Write and explanatory notes on the following:
  - a. Mistake and its effect in a contract
  - b. Innocent and fraudulent misrepresentation
  - c. Anticipatory breach
  - d. Misrepresentative (17½ marks)
- 4a. What are the important distinctions between a term of the contract and a mere representation.
- b. State the features of misrepresentation. (17½ marks)
- 5 a. Examine the common law concept of duress and give two examples of cases in which the courts have recognized Economic duress.
- b. State the features of Misrepresentation. (17½ marks)

6. Where a party suffers from a breach of contract, it is entitled to claim for all losses that result from it. Evaluate the legal validity of this statement with reference to the rule in *Hadley v. Baxendale*. (17½ marks)