



# **NATIONAL OPEN UNIVERSITY OF NIGERIA**

**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS  
SCHOOL OF LAW**

**MARCH / APRIL 2014 EXAMINATION**

**COURSE CODE: LAW 233**

**COURSE TITLE: (CONTRACT I)**

**TIME ALLOWED: 3 hrs**

**INSTRUCTION: ANSWER FOUR QUESTIONS IN ALL**

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

**All questions carry equal marks**

1. Discuss, if a contract does or does not exist in the following situations:
  - a. Aga Otiti lost his Dog. He put this advertisement in the Newspaper, I will give N10, 000 to anyone who finds my Dog and returns it to me. Bada, Aga, Otiti's best friend found the Dog and returned it to him. However, Aga Otiti refused to pay Bada on the basis that they are friends.
  - b. Kolade said to Bako: I will sell 50baskets of tomatoes to you at N3, 000 each. Bako replied "I accept, but I can only pay N2, 000 for a basket" Kolade declared, "you accept it, that is enough for me" Kolade sent the 50baskets of tomatoes and demanded payment of N3, 000 per basket. Bako refused to pay anything. (17½ marks)
2. Alan is a tenant of a 3 bedroom flat owned by Bill. Ten days ago Alan received a letter from Bill in which Bill stated that he (Bill) was interested in selling his flat and asking Alan to let him know if he (Alan) was willing to buy the flat for three million naira. Three days later Alan posted a letter to Bill in which he agreed to buy the home unit for the price set out in Bill's letter. After receiving Alan's letter, Bill telephoned Alan and told him that he had decided that he is no more interested in purchasing the property. Alan seeks your advice as to whether he has a contract with Bill for the sale the property. (17½ marks)

3. Kend Ltd is a food supplier to a large retail supermarket. Kend was approached by the supermarket who requested that it should add an extra 25% volume to some produce to assist the supermarket with a special promotion. Kend was reluctant to enter into this agreement but felt compelled to agree when the supermarket suggested that it will affect future business if he did not co-operate.
  - a. Assess whether there are any grounds for Kend to have the agreement set aside since he no longer wishes to provide the extra volume without some kind of compensation.
  - b. Evaluate the circumstances when the law of mistake would render a contract void. (17½ marks)
- 4a. Every contract is an agreement but not every agreement amounts to a contract. Discuss
- b. Ayo and Dele, decided to be fueling and maintaining Tayo's car and Tayo in return gives them a ride. If Tayo decides not to give Ayo and Dele a ride to school after fueling his car, can they institute an action against him. (17½ marks)
5. Kuku group of companies put forth an advertisement that anyone who use any of the their product to wash and still found stains on the cloth would be given N10, 000. Ayin takes up the challenge and decides to wash with only Kuku soap. However, his clothes still remained stained, on approaching the company for the reward as promised, they claimed that:
  - a. Ayin did not give notice of his acceptance
  - b. Do you agree with the view that the posting rule established in the case of Adam v Lindsell (1818) should be jettisoned in Nigeria. (17½ marks)
- 6a. How do the courts discover the intention of contracting parties who fail to specify expressly whether or not they intended to be legally bound by the agreement?
  - b. Write short but explanatory notes on the following:
    - i. Conditions and Warranties
    - ii. Consideration
    - iii. Counter offer
    - iv. Invitation to treat (17½ marks)