



THE UNIVERSITY OF THE WEST INDIES

EXAMINATIONS OF DECEMBER 2005

CODE AND NAME OF COURSE: LA21A (LAW2110) - LAW OF CONTRACT II

DATE AND TIME:

DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES: This paper has 3 pages and 6 questions.

Answer **THREE (3)** questions, at least **ONE (1)** of which must be selected from **SECTION B**. Answers may be confined to the law of any jurisdiction in the Commonwealth Caribbean unless the context indicates otherwise.

SECTION A

1. "The availability and nature of the damages for misrepresentation are dependent upon the type of misrepresentation ..."

Critically consider this statement of law.

2. Critically discuss the facts used by the courts to limit the recovery for damages flowing from a breach of contract.

3. "Frustration cannot be pleaded as an excuse for non-performance where the event in question was foreseen, foreseeable or resulted from the deliberate act of the person seeking to rely on frustration."

Critically discuss this statement of law.

PLEASE TURN OVER

SECTION B

4. Section 2 of the Motor Vehicles Law makes it an offence to buy and sell used cars without a permit from the Ministry of Transport and Works, and section 3 of that law prescribes a penalty of \$600 on summary conviction for breach of that law.

Kellesha agrees to sell her three year old Toyota car to Camille for \$20,000, payable in ten monthly instalments of \$2,000 each. Neither Kellesha nor Camille possesses the required permit, but Camille lies to Kellesha that she, Camille, has a permit.

Camille, who is married to Nicholas, enters into a written contract with Dale in which she agrees to marry Dale as soon as she is divorced from Nicholas. The contract also specifically requires Camille to provide Dale with a car. Camille has instituted divorce proceedings.

After Camille has paid the first instalment under the sale agreement with Kellesha, Camille instructs Kellesha to deliver the car directly to Dale. Kellesha does this.

Two months ago, Dale tells Camille that he "wants out" as he is in love with Melanie. Camille withdraws her divorce petition and refuses to pay to Kellesha any further instalments on the car.

Advise Camille.

5. On January 20, Supermarket Ltd. enters into a contract with Bakeries Ltd. wherein Bakeries Ltd. agrees to supply Supermarket Ltd. with 500 sandwich loaves each day. The contract stipulates that the loaves are to be delivered to Supermarket Ltd. at 8 am every morning. These arrangements are to commence on February 1 and to continue for a period of six months.

The contract further provides (i) that it is a condition thereof that the loaves be in accordance with the national standards of freshness and (ii) that Supermarket Ltd. shall be entitled to immediately cancel the contract if the loaves are not delivered punctually.

On March 23, Supermarket Ltd. writes to Bakeries Ltd. indicating that they, Supermarket Ltd., considered the contract terminated. Over the period of the contract, Bakeries Ltd. has delivered the loaves long after 8 am on at least 8 occasions, failed to deliver at all on two occasions and delivered 475 loaves on four occasions. On one occasion the loaves were stale.

In spite of Supermarket Ltd.'s purported termination of the contract, Bakeries Ltd. continues to deliver the loaves. Supermarket Ltd. continues to take them until one morning when Bakeries Ltd. delivers 450 stale loaves at 10 am. Supermarket Ltd. refuses to take any further deliveries after this incident.

Advise Bakeries Ltd.

6. Answer **BOTH (i) AND (ii)**

- (i) Lisa agrees to buy the complete collection of the original recordings of Bob Marley from Rasta Ltd. Both Lisa and Rasta Ltd. believed the collection to be genuine. In fact, it is merely a very good imitation.

Advise Lisa.

- (ii) Prince agrees with Kadeen to buy her “vintage Fiat 132S” sports car for \$25,000. After the car is delivered, Prince takes the car to his mechanic who discovers that the car is in fact a vintage Lotus X4 worth \$60,500. Prince wishes to keep the car.

Advise Prince.

END OF PAPER

