

THE UNIVERSITY OF THE WEST INDIES

EXAMINATIONS OF DECEMBER 2006

CODE AND NAME OF COURSE: LAW 2110 - 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. Critically discuss the rules governing the measurement of damages for actionable misrepresentation assuming that legislation similar to the Misrepresentation Act, 1983 of Trinidad and Tobago is in force.

2. "A common mistake, even on a most fundamental matter, does not make a contract void at law; but it makes it voidable in equity".

Critically discuss this statement of the law.

3. When is a party to a contract entitled to rescind a contract for breach?

PLEASE TURN OVER

SECTION B

4. J & D Farms Ltd. is under a contract to deliver to Tamara Supermarket Ltd. 10,000 litres of milk per week. J & D Farms Ltd. does not have the capacity to supply the entire quantity from their herd. Consequently, with the agreement of Tamara Supermarket Ltd., J & D Farms Ltd. import three-quarters of the quota from abroad. Last week, the local currency was devalued by 500% resulting in an astronomical rise in the cost of importing milk. This had been predicted earlier by local and international economists.

J & D Farms Ltd., having been advised by a young law student that they are now free of their contract with Tamara Supermarkets Ltd., decides to go out of business and to slaughter their herd and sell the beef. Tamara Supermarkets Ltd. sues for breach of contract.

J & D Farmers Ltd. next enters into an agreement with Lorna Butchers Inc. to slaughter the animals over a two week period for \$25,000. After about one half of the animals have been slaughtered, Government, fearing a shortage of milk and other dairy products, passes legislation forbidding the slaughter of any dairy animal with immediate effect. Lorna Butchers Ltd., which has not been paid anything, claims one half of the contract price.

Advise J & D Farmers Ltd.

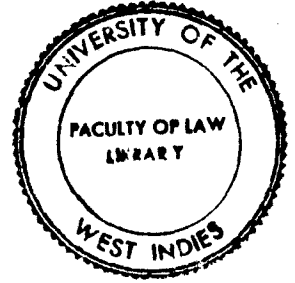
5. Jag, a dancehall artiste, who has never had a solo engagement before, agrees with Derek, an impresario, to perform as a sole act at a concert on January, 21st for a fee of \$10,000. The contract expressly provides: "It shall be a condition of this agreement that Jag shall attend at a rehearsal on January 10th. Failure to do so will result in the deduction of \$1,000 from the fee".

Jag fails to turn up at the rehearsal, and on January 12th, Derek tells Jag that he, Derek, is cancelling the agreement for breach of condition. Jag refuses to accept this and tells Derek that he, Jag, is holding him, Derek, to his contract.

Jag then refuses an offer to appear on another show with a famous international superstar for a fee of \$8,000, buys a costume for \$1,000 and applies for a job as tutor with the Faculty of Culture at the local University. This post, due to commence on January 8th, requires that the holder have experience as a solo performer.

Advise Jag.

PLEASE TURN OVER



6. Sam agrees to sell his SUV to Jeff for \$80,000 payable in ten monthly instalments of \$8,000 each. Jeff intends to use the SUV to transport ganja from Little Bay to Paradise, but he does not tell this to Sam.

On the day following the agreement, but before the SUV is delivered to Jeff, Sam is told by another person that Jeff intends to use the SUV to transport ganja to Paradise. To this, Sam replies: "That is his business and I am not bothered what he uses it for."

The following week, Jeff collects the SUV and pays the first instalment. Six months have now passed and Jeff has refused to make any further payments or to return the SUV.

Advise Sam.

END OF PAPER