

CENTRAL UNIVERSITY



END-OF- SECOND SEMESTER EXAMINATIONS: 2018/2019

FACULTY OF LAW
BACHELORS OF LAW (LL.B)
LEVEL 100 & 200
LAW 106: Law of Contract II (3 Credits)

Saturday 27th April, 2019

TIME ALLOWED: TWO AND A HALF HOURS

INSTRUCTIONS

1. There are a total of FIVE (5) questions. Candidates are to answer three (3) questions only.
2. **Question One (1)** is compulsory and must be answered by all students.
3. Answer Sheets will be provided. Each answer must begin on a fresh page.
4. Any extra answer sheet should be properly tied to the original answer sheet.
5. Marks will be awarded for good presentation, clarity in legal reasoning and proper use of Legal Authorities.
6. Please write legibly

DO NOT TURN OVER THIS PAGE UNTIL YOU HAVE BEEN TOLD TO DO SO BY THE INVIGILATOR.

Good Luck

Examiners: Mrs Eunice Appiah-Asare & Mr Benjamin Barfo Bonney

QUESTION 1

K advertised in a local newspaper that he had a Sumpter 1997 car for sale for GH¢72,000. The vehicle was described as in-excellent condition. J went to the address which K had given. After a test drive J agreed to buy the car. Two days later, when J's wife was driving the car, a wheel came off; the car crashed through the window of a police station-and J and his wife were injured.

The agreement between K and J contained the following clauses:

22. It is agreed that K has not made any statement which has induced the contract.
23. The parties agree that there is no undertaking of quality or fitness for purpose.
24. There is a limit of GH¢500 for damages for breach of contract by K.
25. There is no liability for consequential loss.'

Advise J. What difference, if any, would it make to your advice if K had sold the car in the course of his business? [30 Marks]

QUESTION 2

Bannerman, who is eighty years of age, is extremely frail and has poor vision. Koopia, his lawyer, generally visits him at home to manage his affairs. Koopia has persuaded Bannerman to sign a contract for the sale to Koopia of eight acres of land telling Bannerman that he was signing an insurance proposal form. Koopia then informs Bannerman that he is borrowing GH¢10,000 from his friend Kodoso and that he would like Bannerman to be the guarantor of this loan. Bannerman agrees to this arrangement. Koopia then offers GH¢150 for an antique desk which is in Bannerman's dining room which Bannerman refuses. Koopia threatens Bannerman that if he does not accept the offer of GH¢150, he, Koopia will cease to be his lawyer, and Bannerman will be blacklisted from getting any legal representation.

Bannerman wishes to know:

- a. whether he can repossess the eight acres of land now occupied by Koopia;
- b. whether he is obliged to pay Kodoso, who is now demanding repayment of the loan from Bannerman, Koopia having failed to make any repayments;
- c. whether he can recover the antique desk from Boatemaa to whom Koopia sold the vase for GH¢1500.

[15 Marks]

QUESTION 3

Nii Oto, as the coordinator of the legal clinic at the Faculty of Law at Central University, hired a minibus from Mona Tyberry Company (MTC) to take 30 students of the legal clinic to attend a Legal Clinic Conference, held in Cape Coast. MTC charged GH¢2000 for the hire of the minibus and Nii Oto paid a deposit of GH¢700 in advance.

MTC, in order to comply with its guarantee of roadworthiness of the minibus, properly serviced the designated minibus the day before its intended use. However, on the morning of the trip Nii Oto was informed by an urgent call from the conference organisers that the event has been cancelled. An unusually heavy rainfall took place the night before in the Central Region causing major blockages to all the approach routes to Cape Coast.

Nii Oto immediately called MTC and claimed that the contract of hire of the minibus had been frustrated and demands the refund of the GH¢700 deposit.

Advise the parties.

[15 Marks]

QUESTION 4

The doctrine of mistake in contract distinguishes between mistakes which affect agreement and mistakes which nullify consent.

Explain this distinction and the scope of mistake in contract law with reference to decided cases.

[15 Marks]

QUESTION 5

ANSWER BOTH (a) AND (b)

- a. Where one party has announced that he does not intend to perform his obligations under the contract, the other party faces a difficult choice and must act decisively to protect his position. Discuss.
- b. Norman engaged western windows plc to build a conservatory for him. The contract specified that the main windows would be two metres high. When the conservatory was finished, however, Norman discovered, to his annoyance, that the windows were only 1.8 metres high. Advise Norman.

[15 Marks]