

EU160501-127



ELIZADE UNIVERSITY, ILARA-MOKIN ONDO STATE
PROF YEMI OSINBAJO FACULTY OF LAW
FIRST SEMESTER 2017/2018 ACADEMIC SESSION
BACHELOR OF LAWS (LL.B) DEGREE EXAMINATION

LAW OF CONTRACT I (CIL 201)

TIME: 11:00AM-2PM

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TIME: 3 HOURS

INSTRUCTION: ANSWER TWO (2) QUESTIONS FROM EACH SECTION,
QUESTION ONE (1) AND FOUR (4) ARE COMPULSORY.
ALL QUESTIONS CARRY EQUAL MARKS

FIRST SEMESTER EXAMINATION 2017/2018 SESSION LAW OF CONTRACT I

SECTION A

1. Allu and Co. are manufacturers of a medication called 'Alluco Fire Pellet'. They issued an advertisement in which they offered to pay any person who succumbed to Typhoid Fever after having used two of their Fire Pellets in a specified way and for a specific period. They added that they had deposited the sum of One Hundred and Fifty Thousand Naira (N150,000) with their bankers 'to show their sincerity.' Relying on the advertisement, Mr. Sunmonu purchased and used the medication (two fire pellets) as prescribed, but he still succumbed to typhoid fever. Mr. Sunmonu has brought an action for a compensation of the promised One Hundred and Fifty Thousand Naira (N150, 000). The corporate defendants (Allu and Co.) ingeniously attempted to renege on their promise to pay and escape consequent liability. They argued that the transaction was a *bet* within the meaning contained in the *Gaming Act* and that the policy was *illegal* under the insurance provisions. They argued that the advertisement was a *mere puff*, not intended to create legal relations that could be binding. **Further, they argued that there was no offer to any particularly known person** and that even if there were; the plaintiff had not been able to provide a notification of acceptance. **Discuss with adequate references to Unilateral Contract and other types of contract.**

2. One thing that is common to every transaction under the law of contract is the existence of an agreement which will enable the enforcement of rights and obligations between the parties.

High trees case (Promissory estoppel)
Loring v City of Boston
Balfour v Barty
IRAC to answer questions
Pinnel v Cole
consideration is the universal requisite of a contract

Shonubi v. Onafeko (2003) 12 NWLR Pt. 334 at 254-257 - This means, there must be a meeting of the minds with a common intention. **Discuss**

3 a. With the aid of decided authorities distinguish between offer and invitation to treat.

b. Enumerate and discuss termination of offer

c. For a valid acceptance to exist, *it has to correspond* with the terms of the offer i.e. it must agree with the terms of the offer. An attempt to vary the terms of the offer for example offering to pay a lower price than that offered by the offeror amounts not to an acceptance but to a Counter Offer. **Discuss.**

SECTION B

4. a. There are breaches that go to the root of the contract and goes beyond the conditions and warranty. It means failure of one party to perform the primary obligation in a contract. **Discuss.**

b. Mr Agbedana agreed to buy a used car from Adeyemi & Son's. An agreement was entered into between the parties, Agbedana inspected the vehicle he had agreed to purchase through the hire purchase agreement and found that it had been substantially altered from the version he had previously seen and agreed to buy. Namely, the radio was missing, as were the chrome strips around the body, the new tires had been replaced by old ones, the bumper was not held together with rope and perhaps most importantly, the car could not start. Agbedana therefore refused to pay for the car. The hire purchase agreement contained an exclusion clause which stated that 'No condition or warranty that the vehicle is roadworthy or as to its age, condition or fitness for any purpose is given by the owner or implied herein.' **With the aid of decided cases comment on the action of Mr. Agbedana.**

5. a. Explain the dictum 'consideration must move from the promisee'

b. The giving of a promise or the performance of an act stipulates an exhaustion of the promise given in return. Any further promise made subsequently by any of the two parties without fresh consideration from the other party is not actionable. **Explain using decided cases.**

c. Gen. Famutimi provided a three bedrooms flat to Engineer Godalo at GRA area of Port Harcourt at the rate of #500,000(Five Hundred Thousand Naira) per flat but subsequent understanding showed that Engineer Godalo was only paying #100,000(One Hundred Thousand Naira) per annum. After some few years, Gen. Famutimi reneged and without proper agreement, Engineer Godalo refused to accept the rent of # 100,000(One Hundred Thousand Naira) per annum Gen. Famutimi sought to quit Engineer Godalo from the premises.

Advise the parties as to their respective rights.

Edger v Metropolitan
Railway Company

unequivocal

Enron v Miles

Wylde v Wrench

Revocation
Lapse of time
Death

Olga v O'Neil

Poussard v Spiers
Lampleigh v Brathwaite

Cole v Otwell

Maga Junior v N.C
H.N.S.V

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6(a) An infant cannot use the Infant Relief Act as a vehicle for the perpetration of his fraudulent designs. The law adequately provides that in such a situation, he must give up his ill-gotten gains. **Discuss**

(b) George aged 16years, placed orders for goods from Johnsons &Co. Ltd in September 2004. The goods included 12 nylon shirts, 2 pair of shoes, a number of books for his private studies, some electronic hardware which he intended to resell by way of trade and an engagement ring for his girlfriend. George presently only has an old pair of shoes. George had previous dealings with Johnsons &Co. Ltd in 2000 at which time he stated his age was 20 years. George sent postal orders to the value of 30,000 Naira. The balance was to be paid on delivery to George but he refuses to pay the balance. Johnson & Co. Ltd has bought books from another company and has now requested George to pay the balance of the agreed price and take delivery but George refuses to do so. George, now disclosing his true age intends to recover the 30,000 naira he had already paid. **Discuss the liability of the parties.**

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