

BOWEN UNIVERSITY, IWO, OSUN STATE

COLLEGE OF LAW

FIRST SEMESTER EXAMINATION 2022/2023 SESSION

COURSE CODE: PCL 201

COURSE TITLE: LAW OF CONTRACT I

INSTRUCTIONS: Answer a total of four questions **INCLUDING at least one question** from each Section. **Each question carries 17^{1/2} Marks**

Time allowed: 3 hours

Section A

1. Bowen University is hosting a Pan African carnival to showcase the rich and moral values of the African people. To be able to provide accommodation for her invited guests, the University wrote a letter dated January 16, 2023 to Iwo Hotels and Towers, asking for room types and their rates. The University stated in the letter that it might need up to 50 rooms. On January 18, 2023, Iwo Hotels and Towers wrote back, confirming the availability of 50 rooms, their types and rates, whereupon, officials of the University visited the hotel and inspected the facilities. The University further inquired whether the 50 rooms would be available from February 1-15, 2023, the duration of the carnival, to which the Hotel responded in the affirmative. The Hotel, on January 23, 2023, sent a formal letter offering the 50 rooms to Bowen University at their respective rates for the period February 1-15, 2023, totalling N25,567,650.67 (twenty-five million, five hundred and sixty-seven thousand, six hundred and fifty naira, sixty-seven kobo). On January 31, 2023, at 4 pm, Bowen wrote a letter to the Hotel, accepting to take the rooms at the rates for the stated duration. The dispatch rider from the courier company that was sent to deliver the letter was knocked down by a hit and run driver. He immediately lost consciousness and only woke up at the hospital on February 3, 2023. Meanwhile, Iwo Hotels and Towers, having not heard from Bowen, on February 1, 2023, gave out the rooms to a delegation from Kenya, leaving Bowen's guests without accommodation. The University has issued a writ of summons, claiming damages for breach of contract from the Hotel.
 - (a) Advise the Hotel as to whether or not there was a valid acceptance from Bowen.
 - (b) Would your advice be different if Bowen made a telephone call, which was distorted by the network, making it impossible for the hotel staff to know that Bowen had accepted the offer?

2. Harry and Beauty Matata have been married since 2010 and are blessed with three children, a boy and two girls. One day, as Beauty was washing Harry's clothes, she found a piece of condom in one of his pockets. Suspicious of her husband's infidelity, she quietly spied on his WhatsApp chats and discovered that her husband was in a sizzling romance with Candy, a hook-up girl. She confronted her husband with the pieces of evidence but Harry was nonchalant about it. Beauty, then, took her children and returned to her parents' home. All efforts to placate Beauty failed as she insisted that she cannot tolerate a promiscuous husband. Desperate to win his wife back, Harry promised that he would buy her a Toyota Venza 2022 Model, her choice car. Beauty, then, agreed to return to the matrimonial home. Harry thereafter, refused to buy the car, stating that it was a domestic husband and wife talk, with no intention to enter into a valid contract. **Advise Beauty.**

Section B

3. Alhaji Zambo let out his duplex at Ikoyi in Lagos State to Dr. Adimeru for 500 thousand Naira per annum. In fact, accommodation of that category in that location was indeed worth N3.5 million per annum, but by the agreement of the parties Dr. Adimeru was paying 500 thousand naira per annum. Alhaji Zambo intends to sue Dr Adimeru for inadequate consideration in the contract.
- (a) As an expert in law of contract, write a well-considered legal opinion on the success or otherwise of Alhaji Zambo's decision to sue Dr. Adimeru.
- (b) Distinguish between executory, executed, and past consideration.
- 4.
- (a) Discuss briefly the classification of contracts in the Law of Contract.
- (b) Section 4 of the Statute of Frauds stipulates that any transaction involving the sale of land or the transfer of an interest in land, or a note or memorandum of it should be in writing. In view of this, state the major contents of a memorandum, citing relevant judicial authorities.
- (c) Discuss the exceptions to the requirement of writing in contracts of guarantee, citing relevant judicial authorities.

Section C

5. **Citing relevant judicial authorities, briefly discuss the liabilities of parties in the following cases:**
- (a) Mr and Mrs Harabe arrived at Sheratek hotel and, having filled the necessary forms and gone through the usual formalities at the reception, they paid for two weeks' residence. On getting to their room, they found a notice on the wall stating that the hotel would not be liable for any loss of articles not submitted to the manager for safe-keeping. Mrs Harabe's expensive gold chain was stolen in the room and she filed an action against the hotel for the loss.

(b) Alhaji Shemu's truck was involved in a ghastly accident while transporting tomatoes to Lagos for Mrs Ekele, causing the loss of the tomatoes. Mrs Ekele had carried out this transaction on a number of occasions with Alhaji Shemu and, on some occasions, had signed documents exempting Alhaji Shehu from liability for loss while on some occasions, she had not. On occasions (like this one) she signed the documents without bothering to read them.

6.

(a) Mr and Mrs Baka are transporters who bought a second-hand truck from Nicee Ltd under a hire-purchase agreement which contained a clause excluding liabilities from breach of all warranties and conditions as to fitness or roadworthiness of the truck. The truck turned out to be unfit for its work and not roadworthy. Over a period of six months, it broke down five times, and was only able to make two business journeys, spending the rest of the time under repairs. Mr and Mrs Baka are bent on suing for breach of the condition as to fitness for purpose and Nicee Ltd denies liability by relying on the exemption clause.

With the aid of statutory and judicial authorities, identify the legal issues involved and advise the parties appropriately.

(b) **With the aid of judicial authorities, examine briefly the tests designed by Treitel for the purpose of distinguishing between a term of the contract and a mere representation.**