GMBS-23

UNIVERSITY OF BOLTON

SCHOOL OF LAW

LLB LAW

SEMESTER 1 EXAMINATION 2023/24

CONTRACT LAW

MODULE NO: LAW4017

Date: Wednesday 10th January 2024

Time: 2.00pm – 2.30pm

INSTRUCTIONS TO CANDIDATES:

The multiple-choice section contains 30 questions, <u>ALL</u> of which should be attempted.

The examination amounts to 30% of your mark in this module.

MULTIPLE CHOICE QUESTIONS

PLEASE ANSWER BY SELECTING THE CORRECT ANSWER AND NOTING YOUR RESPONSE WITH A CAPITAL A, B, C OR D

EACH QUESTION IS WORTH 1 MARK

There is only ONE correct answer to each question. If you give more than one answer for any multiple-choice question you will receive NO marks for that question.

Answers must be completed in *the student answer book provided.* For example, for question 1 write 1 in the left margin followed by the appropriate letter which indicates your answer (a. to d.) on the lined page – the example below demonstrates:

1	a	
2	Ь	
3	c	
4	d	
5	a	

Should you wish to qualify your multiple-choice answer, please write your qualification in the answer book. Make it clear which question your qualification applies to. Only perform this task if you truly believe it to be necessary.

ANY ANSWERS NOT WRITTEN IN THE ANSWER BOOK WILL NOT BE MARKED.

Please ensure that you write legibly so that there is no doubt what your answer is. It is advisable to answer in capital letters.

The answers expected refer to legal *terms of art.* Your answers should therefore relate to this professional vocabulary and not simply to the *general* meaning of words and expression.

Both question paper and answer book *must* be handed in at the end of the examination.

You must attempt ALL questions

- 1) Which one of the following is not an element of a valid contract?
 - a. Invitation to treat.
 - b. Certainty.
 - c. Consideration.
 - d. Offer and acceptance.
- 2) The case of *Carlill v Carbolic Smoke Ball Company* [1892] EWCA Civ 1 is an English contract law decision that established which one of the following?
 - a. An advertisement containing certain terms to get a reward constituted a binding unilateral offer that could be accepted by anyone who performed its terms.
 - b. Only parties to the contract can sue on that contract.
 - c. There is a general presumption against an intention to create a legally enforceable agreement when the agreement is domestic in nature
 - d. An offer has to be made to a specific person for it to be enforceable,
- 3) In *Carlill v Carbolic Smoke Ball Company* [1892], how much was deposited with the Alliance Bank, Regent Street, showing our sincerity in the matter?
 - a. £100
 - b. `£150
 - c. £1000
 - d. £10,000
- 4) The court stated that the advertisement in *Carlill v Carbolic Smoke Ball Co.* was which of the following?
 - a. An invitation to treat.
 - b. A mere puff
 - c. Offer.
 - d. A statement of intention.
- 5) What is the definition of an offer?
 - a. An expression of willingness to negotiate.
 - b. A declaration that one party will contract with another.
 - c. Expression of willingness to contract with the party to whom it is addressed, as soon as the latter accepts its terms.
 - d. An invitation for other parties to consider whether they are able to purchase the goods/services.

- A breach of a _____ entitles the innocent party to terminate the agreement and sue for damages.
 - a. Warranty
 - b. Express term
 - c. Condition
 - d. Exclusion Clause
- 7) What are the factors that will vitiate a contract?
 - a. Undue influence
 - b. Coercion
 - c. Fraud and misrepresentation
 - d. All of the above

8) What is the contra proferentum rule?

- a. If the exemption clause is unclear, it will be interpreted against the maker of the exemption clause
- b. All exemption clauses must be interpreted according to the preference of the maker of the exemption clause
- c. Exemption clause may be incorporated where the parties have previous dealings with constitute a course of dealings
- d. If the exemption clause in unclear, the contract will be void
- 9) Which of one the following is not a valid consideration rule?
 - a. Consideration must move from the promisee.
 - b. Consideration cannot be past.
 - c. Consideration must be sufficient.
 - d. Consideration must be monetary.

10) What is specific performance?

- a. A contractual clause obligating the defendant to perform special obligations.
- b. A contractual clause obligating the plaintiff to perform specific duties.
- c. A contractual remedy whereby the court orders a party to perform their side of the contract.
- d. A contractual remedy whereby the court prohibits a party from performing their side of the contract.

11) Rihanna Fenty received a recording contract on 10th September 2023 in the post. She signed the offer and posted it back to the company on the 11th of September.

The record company changed their mind and sent a revocation letter on the offer on the 12th September.

According go the postal rule, when was the contract formed, if at all

- a. 10th September 2023
- b. 11th September 2023
- c. 12th September 2023
- d. 17th September 2023
- 12) Advertisements are usually not treated as offers by the law. What are they deemed to be?
 - a. Invitations to treat
 - b. Bilateral offers
 - c. Unilateral offers
 - d. Requests to contract

13) Which one of the following is not a way in which an offer can be terminated?

- a. Counteroffer
- b. Lapse of time
- c. Death of the offeror
- d. Request for further information

14) Ayo agrees to sell his house worth £100,000 to Ben for £12,000

- a. The agreement is valid even though consideration is inadequate.
- b. The agreement is not valid because consideration is inadequate.
- c. The agreement is voidable because consideration is inadequate.
- d. The agreement is valid only if Ben is willing to pay more.

15) A person's ability to satisfy the elements required to enter binding contract is called what?

- a. Consideration
- b. Mutual Assent
- c. Offer and Acceptance
- d. Capacity

Please turn the next page

- 16) A minor has the capacity to contract under which one of the following circumstances?
 - a. For necessities like food, clothing, and lodging.
 - b. Only valid on contracts valued over £1,000.
 - c. For recreational activities like sports and entertainment.
 - d. None of the above.
- 17) Which one of the following defines consideration?
 - a. A set of mutual promises in which each party agrees to give up something to the benefit of the other.
 - b. The amount of time one has to accept an offer.
 - c. The 5 minutes following an offer that must elapse before an acceptance can take place
 - d. The element of a contract that says the value of what each party is giving up must be equal.
- 18) Which one of the following is a remedy to a breached contract?
 - a. Money Damages
 - b. Restitution
 - c. Specific Performance
 - d. All of the above
- 19) After talking to the salesman on the phone, Freddy agrees to buy a set of glassware. What type of contract is this?
 - a. Unenforceable
 - b. Written
 - c. Oral
 - d. Valid

20) Tim purchases a rare antique piece for £5,000. The contract was signed by both parties. in this scenario, who is Tim?

- a. Offeree
- b. Offeror
- c. Contractor
- d. Considerator

Please turn the next page

21) What is the meaning of the Latin phrase 'Consensus ad idem'?

- a) Consider the advert.
- b) Meeting of the mind
- c) Breach of contract
- d) Meeting for contract

22) Jenn asked Lucas if he wanted to buy her car for £5,000. Who is Jenn is this transaction?

- a. Donor
- b. Donee
- c. Offeree
- d. Offeror

23) According to the following doctrine, only the parties to a contract can enforce the rights or to be subject to the obligations which arise under it:

- a. The doctrine of strict liability
- b. The doctrine of 'privity of contract'
- c. The doctrine of 'first in first out'
- d. The doctrine of human rights

24) What differentiates a bilateral contract from a unilateral contract?

- a. In a bilateral contract, one party agrees to do something.
- b. In a bilateral contract, both parties agree to do something.
- c. In a bilateral contract, the agreed terms are not legally enforceable by either party.
- d. In a bilateral contract, one party enters into an agreement that is legally enforceable.

25) Which one of the following cases illustrates an invitation to treat?

- a. Carlil v Carbolic Smokeball Company 1892] EWCA Civ 1
- b. Donoghue v Stevenson [1932] UKHL 100
- c. Pharmaceutical Society of Great Britain v Boots Cash Chemist [1953] AC 1 QB 401
- d. Balfour v Balfour [1919] 2 KB 571

26) What is a counteroffer?

- a. A further offer made by the original offeror.
- b. Where a party seeks to introduce a secondary or ancillary agreement to the original contract.
- c. Where a party seeks to change or vary terms of the original offer or seeks to introduce a new term(s).
- d. A rejection and withdrawal of the original offer.
- 27) Lauren, Avery, and Patrick, all age 15, enter into a contract, what term describes this type of contract?
 - a. Void
 - b. Voidable
 - c. Bilateral
 - d. Valid

28) Does social agreement create legal obligations?

- a. Yes
- b. No
- c. Partially
- d. All of the above
- 29) If the offeror mails an offer to the offeree, and the offeree faxes the acceptance, when will the offer go into effect?
 - a. When received
 - b. When sent
 - c. When written
 - d. When offered

30) Which one of the following is not one of the ways in which a contract can be discharged?

- a. Performance
- b. Frustration
- c. Agreement
- d. Counter-offer

END OF QUESTIONS