

UNIVERSITY OF BOLTON

OFF CAMPUS DIVISION

WESTERN INTERNATIONAL COLLEGE

BA(HONS) LAW

SEMESTER ONE EXAMINATION 2023/24

CONTRACT LAW

MODULE NO: LAW4017

Date: Wednesday 10 January 2024

Time: 10:00 AM – 10:30 AM

INSTRUCTIONS TO CANDIDATES:

There are 20 Multiple Choice Questions on this paper.

Answer all questions.

All questions carry equal marks.

University of Bolton
Off Campus Division, Western International College
BA(Hons) Law
Semester One Examination 2023/2024
Contract Law
Module No. LAW4017

Question 1

According to the Court of Appeal in *Pharmaceutical Society of GB v Boots* [1953] 1 QB 401, which **one** of the following statements **most accurately** describes the normal process of contract formation in a self-service shop?

- A. The display of goods is an offer and the customer accept that offer by placing the goods into the shopping basket/trolley.
- B. The customer makes an offer by placing the goods into their shopping basket/trolley and the cashier accepts that offer by ringing up the price of the goods on the cash register (or passing the goods over the barcode reader).
- C. The customer makes an offer by taking the goods to the checkout and the cashier accepts that offer by ringing them up on the cash register.
- D. The display of goods is an offer and the customer accept that offer when they take the goods to the checkout.

(1 mark)

Question 2

A Ltd sends a brochure to B, which prices a certain type of mountain bike at £250. B replies: 'I am prepared to pay £240 in cash for the mountain bike.' Which one of the following statements is true?

- A. B's reply constitutes a counter-offer.
- B. B's reply constitutes an acceptance of A's offer.
- C. B's reply constitutes an offer.
- D. B's reply constitutes a request for information.

(1 mark)

Please turn the page

University of Bolton
Off Campus Division, Western International College
BA(Hons) Law
Semester One Examination 2023/2024
Contract Law
Module No. LAW4017

Question 3

A, the owner of Tyr Supermarket, advertises a 'reward of £500 for the first person to supply information if that information leads to the successful prosecution of the criminal mastermind responsible for a series of thefts from Tyr Supermarket'. B supplies the information from which the criminal is successfully arrested and prosecuted. B thereupon claims the reward. Which one of the following statements is true?

- A. The advertisement is only an invitation to treat and therefore B has no right to the reward.
- B. The advertisement is only an invitation to treat but B can claim the reward once the criminal has been successfully prosecuted.
- C. The advertisement is a unilateral offer under which A is bound to pay B £500 when B supplies the information.
- D. The advertisement is a unilateral offer under which A is bound to pay B £500 only when the information supplied by B finally leads to the successful prosecution of the criminal.

(1 mark)

Question 4

A term may be implied into a contract by: (a) The courts; (b) Statute; (c) Trade custom; (d) A term can never be implied, it must always be expressed by the parties

- A. (a) and (b) only
- B. (a) (b) and (c) only
- C. (d)
- D. (b)

(1 mark)

Please turn the page

University of Bolton
Off Campus Division, Western International College
BA(Hons) Law
Semester One Examination 2023/2024
Contract Law
Module No. LAW4017

Question 5

Which one of the following statements is true?

- A. If a condition in a contract is breached the injured party may treat the whole contract as discharged.
- B. If a warranty in a contract is breached the injured party may treat the whole contract as discharged.
- C. If a condition in a contract is breached the injured party may claim damages but must continue with the contract otherwise he will be in breach of contract.
- D. If a warranty in a contract is breached the injured party has no remedy.

(1 mark)

Question 6

Hari is in York for the first time and decides to leave his bag containing his £300 camera at Train Ltd.'s – left luggage lockers for the day. He places his bag in the locker and after inserting the £10 fee, the door locks and a ticket is issued. The ticket states that Train Ltd are not liable for any loss, damage or theft to items valued over £100 left in lockers. Hari's locker is broken into by Fred and his camera is stolen Can Hari claim £300 from Train Ltd?

- A. No, because the exemption clause states the limit is £100.
- B. No, because his camera has been stolen by someone other than Train Ltd.
- C. Yes, because the exemption clauses are only valid if they are signed.
- D. Yes, because the exemption clause was dispensed after the contract was made.

(1 mark)

Please turn the page

University of Bolton
Off Campus Division, Western International College
BA(Hons) Law
Semester One Examination 2023/2024
Contract Law
Module No. LAW4017

Question 7

A agrees to repair B's broken mill shaft and to return it to B within a week. At the time of contracting, B points out that he has no spare mill shaft and that he will not be able to operate his mill until the repaired one has been returned. A does not return the repaired shaft until two weeks later. B sues A for breach of contract, claiming damages for the loss of profit during the second week, when his mill was closed as a result of A's delay. A argues that the damages claimed by B are too remote to be recoverable. Which **one** of the following statements concerning A's argument is **true**?

- A. The damages claimed by B are not too remote, because his loss of profit is a natural or normal loss resulting from A's breach of contract.
- B. The damages claimed by B are too remote, because his loss of profit is an abnormal loss resulting from A's breach of contract.
- C. The damages claimed by B are too remote, because his loss of profit is not within the reasonable contemplation of the parties at the time of contracting.
- D. The damages claimed by B are not too remote, because his loss of profit is an abnormal loss within the parties' actual knowledge at the time of contracting.

(1 mark)

Please turn the page

Question 8

A owns a tanker that has suffered a massive engine explosion. A find out from an independent source that a ship owned by B is the closest vessel to the stricken tanker. B agrees to divert his vessel in order to render assistance to the crew of A's tanker, provided A will agree to a minimum hire charge of £50,000, 'irrespective of whether B's vessel is used or not'. A accepts B's offer but finds out within minutes that his tanker has already sunk with the loss of all hands. Which one of the following statements most accurately represents the legal position of A?

- A. A is not bound to pay any hire charge because the contract is probably void for common mistake.
- B. A is not bound to pay any hire charge because the contract is voidable for common mistake.
- C. A is not bound to pay the hire charge because A's obligations under the contract are subject to an implied condition precedent that A's tanker was afloat at the time when A and B entered into the contract.
- D. A is probably bound to pay the hire charge because the contract has allocated to A the risk of the tanker sinking.

(1 mark)

Question 9

Which of the following is a key factor in determining the availability of consequential damages in a contract dispute?

- A. The foreseeability of the damages at the time of contract formation.
- B. Whether the contract is written or verbal.
- C. The length of the contract.
- D. The geographic location of the parties involved.

(1 mark)

Please turn the page

University of Bolton
Off Campus Division, Western International College
BA(Hons) Law
Semester One Examination 2023/2024
Contract Law
Module No. LAW4017

Question 10

When a contract is discharged due to impossibility, it usually involves:

- A. The mutual agreement of the parties to end the contract.
- B. An unforeseeable event that makes performance impracticable.
- C. A breach of contract by one party.
- D. The expiration of the contract's specified time frame.

(1 mark)

Question 11

Which of the following is a common method of discharging a contract when both parties fulfil their obligations?

- A. Breach of contract
- B. Agreement to modify
- C. Performance
- D. Impossibility

(1 mark)

Question 12

The doctrine of privity of contract is intended to protect:

- A. The interests of third parties in all contractual matters.
- B. The freedom of contract by limiting the parties who can enforce a contract.
- C. The courts from becoming involved in contract disputes.
- D. The obligation of all parties to perform their contracts without exceptions.

(1 mark)

Please turn the page

University of Bolton
Off Campus Division, Western International College
BA(Hons) Law
Semester One Examination 2023/2024
Contract Law
Module No. LAW4017

Question 13

In contract law, the doctrine of privity of contract primarily dictates that:

- A. Contracts must be in writing to be enforceable.
- B. Only parties directly involved in a contract have rights and obligations under it.
- C. Third parties always have the right to enforce any contract.
- D. All contractual obligations must be fulfilled by the courts.

(1 mark)

Question 14

Vitiating factors such as duress and undue influence are closely related in contract law because they both involve:

- A. Unilateral mistakes by one of the parties.
- B. Threats or coercion that affect the voluntariness of a party's consent.
- C. Fraudulent misrepresentations made during contract negotiations.
- D. Disputes over the capacity of the parties to understand the terms of the contract.

(1 mark)

Question 15

What is the "rule in Pinnel's case"?

- A. It requires parties to provide a written contract for certain types of agreements.
- B. It states that past consideration is generally not good consideration.
- C. It allows parties to renegotiate the terms of a contract at any time.
- D. It requires parties to exchange goods of equal value in a contract.

(1 mark)

Please turn the page

University of Bolton
Off Campus Division, Western International College
BA(Hons) Law
Semester One Examination 2023/2024
Contract Law
Module No. LAW4017

Question 16

The correct sequence in the formation of a contract is:

- A. Offer, acceptance, agreement, consideration.
- B. Agreement, consideration, offer, acceptance.
- C. Offer, Consideration, acceptance, agreement.
- D. Offer, acceptance, consideration, agreement.

(1mark)

Question 17

A sell, by auction to B a horse which A knows to be unsound. A says nothing to B about the horse unsoundness. A is liable for?

- A. Fraud
- B. Misrepresentation
- C. No fraud
- D. Undue Influence

(1 mark)

Question 18

Where both parties are under mistake as to matter of fact, the agreement will be :

- A. Enforceable
- B. Voidable
- C. Not void
- D. Void

(1 mark)

Please turn the page

University of Bolton
Off Campus Division, Western International College
BA(Hons) Law
Semester One Examination 2023/2024
Contract Law
Module No. LAW4017

Question 19

Which is not the correct statement?

- A. If consent is the result of coercion, the agreement is void.
- B. If a party is minor, the agreement is void.
- C. If the object of an agreement is unlawful, the agreement is void.
- D. If the consideration of an agreement is unlawful, the agreement is void.

(1 mark)

Question 20

A agrees to buy from B a certain house. It turns out that the house was dead at the time of bargain, through neither party was aware of the fact. The agreement:

- A. Void
- B. Valid
- C. Voidable
- D. Illegal

(1 mark)

Total 20 marks

END OF QUESTIONS