



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi – Abuja
FACULTY OF LAW
DEPARTMENT OF COMMERCIAL LAW
2020_1 EXAMINATION

COURSE CODE: CLL 234

COURSE TITLE LAW OF CONTRACT II

CREDIT UNITS: 4

INSTRUCTIONS:

- (a) Indicate your Matriculation Number clearly
- (b) Attempt Question one (1) and any other three questions – four (4) questions in all
- (c) Question one (1) is compulsory and carries 25 marks; while the other questions carry 15 marks each.
- (d) Using appropriate statutory and judicial authorities, present all your points in coherent and orderly manner.

TIME 3 Hours

ALLOWED:

1. Discuss the validity of these contracts, using decided cases and stating the position of the law in the following scenarios.
 - a. Gamji enters into a contract with Nadil to murder his wife, Pretty for a sum of 5000 naira. Gamji agrees to pay the amount to Nadil in return of the murder. Is it a valid contract? (10 marks)
 - b. X agreed to take a lease of a fishery from Y, though contrary to the belief of both parties at that time, X was the real owner of the fishery and Y had no title to it at all. (7.5 marks)
 - c. A man and woman entered into a separation deed, on the false (but fundamental) assumption that there was a valid marriage between them. In other words, they erroneously believed they were lawfully married as husband and wife, when in fact; the marriage between them was void. (7.5 marks)
2. Farouk wishes to buy a sports car and visits Majid, a car dealer. Farouk immediately falls in love with a vehicle known as a Land Patrol, which Majid describes as ‘the most reliable car on the road’. He asks Majid about the age of the vehicle. Majid consults the Land Patrol’s documentation and sees that it is written in Italian. Majid’s Italian language skills are very basic, but he has an attempt at deciphering the information and eventually informs Farouk that the car is ‘brand new’. Farouk glances at the registration plate of the

vehicle and notices that the registration would suggest that the vehicle is older than Majid has claimed. Farouk suspects, but is not certain, that Majid has given him incorrect information about the age of the car. Farouk decides to buy the car. Over the course of a few weeks, various defects appear in the car which cost Farouk N10,000 to repair. Finally, one morning the car will not start, and Farouk has to spend N5000 in taxi fares that week to commute to his workplace. He then finds out that the car is not brand new but eight years old.

Advise Majid as to his potential liability to pay damages for misrepresentation. (15 marks)

3. a. Define the term “Privity of Contract” (7.5 marks)
b. What are the exceptions to the term Privity of Contract? Discuss them using decided cases. (7.5 marks)
4. A man made a bid at an auction sale thinking that he was bidding for hemp. In fact, the bales in question contained Soy. The plaintiff has sued the defendant for the amount of the bid.

Discuss and provide solutions for both parties. (15 marks)

5. A contract comes into existence by agreement of the two or more parties. The same parties may also resolve to terminate the contract by agreement. This is expressed by the Latin maxim “*eodem modo quo oritur, eodem modo dissolvitur*”, which means, what has been effected by agreement can be undone by agreement.

Discuss how an agreement can be discharged using decided cases. (15 marks)

6. When does the doctrine of frustration apply? Discuss them using decided cases. (15 marks)