NATIONAL OPEN UNIVERSITY OF NIGERIA

91 CADASTRAL CLOSE, AIRPORT ROAD, JABI, ABUJA

FACULTY OF LAW

DEPARTMENT OF COMMERCIAL LAW

2019_1 EXAMINATION

COURSE CODE: CLL 234
COURSE TITLE: LAW OF CONTRACT II
CREDIT UNITS: 4
INSTRUCTIONS: 1. Indicate your Matriculation Number clearly
2. Attempt question one (1) and any other three (3) questions – four questions in all
3. Question one (1) is compulsory and carries 25marks, while the other questions carry 15marks each.
4. Present all your points in coherent and orderly Manner

TIME ALLOWED: 3 HOURS

1. Harold commenced a business to import phones from Mulumba Ltd in Uganda. Both parties signed an agreement that the goods are delivered through a cargo plane via NnamdiAzikiwe International Airport, Abuja. On the day of the delivery it was discovered that the airport was under a six-week construction. Both parties agreed through a phone call discussion that the plane land at Kaduna instead. On Harold's way to Kaduna airport from Abuja, she was accosted by kidnappers but narrowly escaped in a sad turn of events where she almost lost her life and was hospitalized. Her family members advised her not to ply the Kaduna express way again as it is a den for kidnappers. Harold made a phone call to Mulumba Ltd, informing them of her decision no to go on with delivering the phone and a request to return the money she paid for the phones. Mulumba Ltd maintained the phones had already been repackaged to the Nigerian specification and as such cannot be undone. Discuss the legal issues and advice the parties. Would your answer be different if Harold had sent an email of her decision to discontinue with the delivery of the goods?**[Compulsory, 25marks]**

2. Discuss the maxim "ignorantia non haudexcusat" in relation to mistake in contracts and the three types of mistake as identified under common law. **[15marks]**

3. What do you understand by a contract entered under Duress? How is it different from a contract entered under undue influence? Discuss the ways in which duress can manifest in a contract. **[15marks]**

4. Mr. Twotall, a very popular musician was invited to perform at the Independence Carnival on October 1st. However, he never showed up. When his manager was contacted, he said Twotall was suffering from malaria and high fever. The organisers of the carnival are furious mainly because of the embarrassment caused by Twotall's failure to show up for the carnival, the amount of money spent on booking Twotall, commercials and hotel bookings for Twotall and his staffs. The carnival organisers have asked for a refund of the money for booking Twotall. What advice will you give the organisers? Would your answer be different if the manager had informed the organisers on September 30th of Mr. Twotall's inability to perform at the carnival? What remedy(ies) are available to both parties (if any). **[15marks]**

5. Stephanie, a 17 year old girl bought a band new Starblack generator set from Plays, the biggest electronic store in town with money she has been saving for the past two years. One hour after setting up the generating set in her apartment, there was a loud sound following some sparks of light from the generator, then it caught fire that burnt down some parts of the house. The fire also destroyed her valuables. She is unhappy with this development and goes back to Plays telling the staff who installed the generator that "I want you to give me another generating set and a N100,000 for damages unless, I will expose the incompetence of your products on social media". The Manager of Plays agreed to give her another generator and the money. Stephanie's cousin a staff of Plays advised her to sue Starblack for one million naira, as they are a rich company and can pay. Discuss the legal issues and advice the parties. **[15marks]**

6. Write short notes on the following:

(a) Void Contract

(b) Illegal Contract

(c) Innocent Misrepresentation**[15marks]**

(b) Illegal Contract

(c) Innocent Misrepresentation**[15marks]**