



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

A. M. E. C. E. A

MAIN EXAMINATION

AUGUST - DECEMBER 2014 TRIMESTER

FACULTY OF LAW

REGULAR PROGRAMME

CLS 108: CONTRACT LAW II

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Date: DECEMBER 2014

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

Q1. The Catholic Monks, a University tennis team, hired a field for an upcoming tennis tournament. They paid 10,000/= as deposit, with the balance to be paid on the day of the tournament. However on the morning of the tournament, it is announced that political demonstrators had dug holes on the field and the courts on the field would be unusable. It also emerges that some members of the tennis team took part in the demonstrations, and perhaps in destroying the courts. After these developments, the captain of the team phones the field manager to inform him that the payment of the remaining 40,000/= will not be made because their contract is frustrated.

With the use of the relevant case law explain whether or not it is possible for the contract to be discharged on the basis of frustration. **(30 marks)**

Q2. Maria planned to get married in a princess – themed wedding. She approached the manager of Sun Concert Hall to negotiate a contract to hire the hall. During the negotiations, the manager informs Maria that the hall holds "... up to 1500 people". This was in answer to Maria's query about the Hall's capacity. Maria informs the manager that she expects up to 1400 guests. She also informs the manager that her wedding will run from 10 a.m to midnight to allow guests to be entertained.

On the wedding date, it turns out that the capacity of the hall is only 1000 people. 400 of Maria's guests are turned away. It also emerges that an environmental code by the city disallows events of over 600 people to be held beyond 9.00 p.m. Maria's princess – themed wedding is ruined.

- a) Do any pre-contractual statement(s) by the manager constitute fraudulent misrepresentation? **(10 marks)**
 - b) What is the legal implication of the manager's silence in regard to the time restrictions by the city's environmental code? **(10 marks)**
- Q3. a) Briefly discuss the rules relating to "discharge by partial and substantial performance". **(10 marks)**
- b) "Discharge of a contract by agreement always presents a challenge to the requirement for consideration. However, the law has developed two avenues that facilitate discharge by agreement while legally circumventing the law on consideration".

Explain clearly the two means through which a party to a contract can secure a discharge by way of an agreement. **(10 marks)**

- Q4. Explain the conditions that a litigant in a breach of contract suit must fulfill in order to obtain damages. **(20 marks)**

Q5. Write explanatory notes on any **TWO** of the following:

- a) The difference between anticipatory breach and breach by self disablement. **(10 marks)**
- b) Incapacity as a vitiating factor. **(10 marks)**
- c) The difference between undue influence and duress. **(10 marks)**

END