

SEMESTER II EXAMINATIONS SUMMER 1998/99

BACHELOR OF ARTS (LEGAL SCIENCE) - SECOND YEAR
OCCASIONAL STUDENTS

CONTRACT II (LW205)

Professor H. Beale
Ms. N. Murphy

Time allowed: TWO hours. Erasmus students have 2½ hours.

Answer THREE questions

1. *"The common law required a person who had agreed to perform contractual obligations to discharge those obligations; the fact that it was extremely difficult or even impossible to do so did not excuse non-performance."* (Clark). Discuss.
2. Give a critical account of the doctrine of undue influence.
3. In what circumstances will a contract in restraint of trade be valid?
4. Manufacturing Ltd is a small, recently incorporated furniture-making company and is attempting to establish itself. Manufacturing Ltd enters into a contract with Transport Ltd, whereby Transport Ltd delivers the furniture to shops all around Ireland. Due to a miscalculation by Transport Ltd's manager, Transport Ltd makes no profit from the contract. After six months Transport Ltd decides that it wants more money from Manufacturing Ltd and threatens to cease delivering the goods if a 5% increase is not paid immediately. This threat is particularly powerful, as Manufacturing Ltd has just received a large order from a major retailer. The company knows that this order is its big chance, that it will not be able to find another company to deliver the goods by the deadline, and that its reputation will be destroyed if it does not deliver the goods on time. Manufacturing Ltd therefore agrees to the 5% increase. As soon as the goods have been delivered Manufacturing Ltd asks you whether it is possible to recover the overpayment. Advise the company.
5. Anna owned a residential property which she has let out in flats to three tenants. She entered negotiations with Barbara for the sale of the property. Anna told Barbara that as the building had been extensively renovated, it legally constituted a new property for stamp duty purposes. She also told Barbara that it would be difficult to find better tenants, in her opinion, than the tenants currently occupying the property. Barbara, who had decided to live in one of the flats herself, when one of the tenants (who had already given notice) moved out, noticed a cinema next door and remarked that she was a big film fan and would enjoy living so close to a cinema.

Barbara bought the property for £200,000 and then discovered that it did not constitute a new building for stamp duty purposes, and had to pay £12,000 to the Revenue Commissioners. She then found out that one of the tenants was six months in arrears with her rent and that another had a habit of smashing up the furniture in his flat whenever he was drunk. When she complained to Anna, Anna pointed out that she would have bought the house anyway to be close to the cinema. Advise Barbara.
6. Write a short account of any TWO of the following:
 - (a) Unconscionable agreements
 - (b) The effect of mutual mistake
 - (c) Damages for mental distress and disappointment
 - (d) The doctrine of substantial performance