

THE KENYA SCHOOL OF LAW



PRE-BAR EXAMINATION

THE LAW OF CONTRACT – PRB 002

6TH JANUARY, 2020

DURATION: 3 HOURS

2.00 PM – 5.00 PM

Instructions to Candidates

- (a) Answer Question ONE and ANY OTHER THREE Questions
- (b) Question ONE carries 25 Marks. All other questions carry 20 marks each.
- (c) Marks shall be lost for illegible handwriting

PLEASE TURN OVER

Question One:

Mary and Jane are sisters. On the 30th October 2019, Mary agreed to sell her motorvehicle to Jane for Kshs. 800,000/=. In the evening, Jane sent an email to Mary stating that she has accepted the offer to purchase the car and will transfer some money to Mary in a few days. Mary delivered the car to Jane the next morning. Three months later, Jane paid Kshs. 400,000/= to Mary and refused to pay the balance of the purchase price claiming that Mary and her are sisters.

Advice Mary on her legal rights under contract law. (25 Marks)

Question Two:

- a) Distinguish between an offer & an invitation to treat. (10 Marks)
- b) Discuss the various ways in which an offer can be terminated under the Law of Contract. (10 Marks)

Question Three:

Explain the meaning of the following concepts under the Law of Contract.

- a) Privity of Contract (5 Marks)
- b) Consideration (5 Marks)
- c) Promissory estoppel (5 Marks)
- d) Quantum Meruit (5 Marks)
- e) Voidable Contracts (5 Marks)

Question Four:

- a) A breach of contract occurs when a party fails to perform their obligations provided in the contract either fully or adequately. Discuss with relevant examples. (15 Marks)
- b) Identify the remedies available for breach of contract. (5 Marks)

Question Five:

- a) Explain the fundamental differences between void & voidable contracts. (10 Marks)
- b) Distinguish between the Concept of Mistake & Misrepresentation under the Law of Contract. (10 Marks)

Question Six:

“A contract can be legally terminated before the contractual duties have been fulfilled”. Discuss with relevant examples. (20 Marks)

END