



London South Bank
University

Module guide

INTRODUCTION TO THE LAW OF
CONTRACT AND TORT

LAW-4-ICT

Faculty of Law and Social Sciences
The Law Department

LLB (HONS) & COMBINED DEGREE Full
and Part Time.

MODULE STATEMENT (30/06/17)

Module Title	Introduction to Contract and Tort		
Course Title	LLB Law (Course 4) & related Courses		
	Course Code	Course Name	Year of Study
	4	LLB FT	
	277	LLB PT	
	4204	LLB BL	
	4205	PT	
	4210	LLB FL	
	4211	PT	
	4206	LLB CL	
	4207	PT	
	4208	LLB MEL	
	4209	PT	
	4202	LLB HR	
	4203	PT	
	3522	LLB Law & Crim	
	4478	Cert HE	
	4465	CHE BL	
	4466	CHE CL	
	4472	CHE FL	
	4474	CHE HR	
	4471	CHE MEL	
	4475	CHE L & Crim	
School	<input type="checkbox"/> ASC <input type="checkbox"/> ACI <input type="checkbox"/> BEA <input type="checkbox"/> BUS <input type="checkbox"/> ENG <input type="checkbox"/> HSC <input checked="" type="checkbox"/> LSS		
Division	Law		
Parent Course (if applicable)	LLB Law (Course 4)		
Level	4		
Module Code (showing level)	Law_4_ICT		
JACS Code (completed by the QA)			
Credit Value	20 credit points		
Student Study Hours	Contact hours: 48 Student managed learning hours: 152		
Pre-requisite Learning	None		
Co-requisites	None		

Excluded combinations	None
Module co-ordinator	Tracey Aquino aquino@lsbu.ac.uk Law Hub - 3 rd Floor Borough Road Chris Shepherd shephecp@lsbu.ac.uk Law Hub - 3 rd Floor Borough Road
Other teaching staff	Alan Russell Russela7@lsbu.ac.uk Law Hub - 3 rd Floor Borough Road Kim Silver silverk@lsbu.ac.uk Law Hub - 3 rd Floor Borough Road Max Weaver weaverm@lsbu.ac.uk Law Hub - 3 rd Floor Borough Road
Short Description (max. 100 words)	This module is designed to introduce students to the areas of Tort and Contract Law. Students will be introduced to the basic concepts of contractual and tortious liability. In terms of substantive coverage, Contract Law will focus on formation of contract and Tort will focus on Trespass to the Person. The module seeks to explore the workings of these areas of law with exploration of the underlying legal, social and economic policies. In addition this module is also designed to reinforce legal skills.
Aims	(a) To provide students with a firm grounding in the basic principles and essential concepts of the Law of Contract and Tort (b) To examine the development of the Law of Contract and Tort over time and to identify the major influences upon these areas of law. (c) To consider aspects of contemporary criticism and debates within Contract and Torts Law and consider future trends. (d) To examine the derivation of Contract and Torts Law from primary sources and develop techniques of legal research.

	<p>(e) To develop analytical approaches to legal problem solving.</p> <p>(f) To develop the skills of legal argument</p> <p>(g) To prepare students for study at level 5</p> <p>(h) To provide reinforcement of the essential legal, transferable and practical skills considered necessary for the study and practice of contract and torts law. To provide a structured opportunity to develop these essential skills</p>
<p>Learning Outcomes (4 to 6 outcomes)</p>	<p>Knowledge and understanding Students who have successfully completed this module will be able to demonstrate a knowledge and understanding of</p> <ol style="list-style-type: none"> 1. The fundamental doctrines, principles and concepts of Formation of Contract and Trespass to the person in England & Wales and how this affected by the Law of the European Union and the European Convention on Human Rights. [A1] 2. The sources of English Law of Contract and Torts and how it is created and developed [A3] 3. The functions and limits of Contract and torts law in achieving individual and policy goals [A5] 4. The significance of the law of Contract and Torts' social, political, economic and moral contexts.[A6] <p>Intellectual Skills Students who have successfully completed this module will be able to demonstrate an ability to</p> <ol style="list-style-type: none"> 1. Analyse and solve legal problems by selecting and applying primary sources of Law and other legal materials to simple Contract and Torts based factual situations [B1] 2. Analyse conflicting interpretations of statutes and cases, applying the rules of statutory interpretation and doctrine of precedent in Contract and Torts. [B2] 3. Analyse the law of Contract and Torts and the law reform proposals in social, economic, political and moral context. [B3] <p>Practical Skills Students who have successfully completed this module will be able to demonstrate an ability to</p>

	<ol style="list-style-type: none"> 1. communicate ideas effectively and appropriately in writing [C1] 2. read and understand basic legal materials [C2] 3. produce word processed documents [C5] 4. use ICT to store, retrieve and communicate information [C6] 5. undertake research using electronic media [C7] 6. use the VLE including where required for the submission and / or completion of assessment [C8] <p>Transferable skills Students who have successfully completed this module will be able to demonstrate an ability to</p> <ol style="list-style-type: none"> 1. Identify and carry out Contract and Tort research using a variety of media [D1] 2. Plan their Contract and Tort research, including setting priorities in terms of relevance and importance. [D2] 3. Plan and manage their work, including setting priorities in terms of importance and deadlines; [D3] 4. Comply with standards of scholarly practice. [D7]
Employability	The knowledge, transferable and research-orientated skills acquired in this module will facilitate employability in the legal profession, law related and other graduate level careers.
Teaching and learning pattern	<p>Contact hours includes the following: (please click on the checkboxes as appropriate)</p> <p> <input checked="" type="checkbox"/> Lectures <input type="checkbox"/> Group Work: <input checked="" type="checkbox"/> Seminars <input type="checkbox"/> Tutorial: <input type="checkbox"/> Laboratory <input checked="" type="checkbox"/> Workshops <input type="checkbox"/> Practical <input type="checkbox"/> VLE Activities </p>
Indicative content	<p>The module will draw upon aspects of the following:</p> <ol style="list-style-type: none"> 1 Introduction to the Law of Contract 2 Formation of Contract - Offer, Acceptance, 3. Consideration and estoppel 4. Intention to Create Legal Relations, Capacity and Certainty.

	<p>5. Introduction to the Law of Tort - including types of tort and distinction between tort and contract law.</p> <p>6. Trespass to the Person - Assault and Battery</p> <p>7. Trespass to the Person - False Imprisonment</p> <p>8. The Rule in Wilkinson v Downton</p> <p>9. Remedies in Contract and Tort</p>
<p>Assessment method (Please give details - of components, weightings, sequence of components, final component)</p>	<p>Formative Skills for the summative assessment will be embedded throughout formative opportunities in Seminars and Workshops.</p> <p>Summative Assessment 1 (CW1) One MCT Test -1 hour long (40% Weighting) The MCT will contain both contract and tort questions.</p> <p>Assessment 2 (EX1) Under examination conditions one Case Note - 1 hour 30 minutes long plus 15 minutes reading time (60% Weighting). The case note may be based either on contract, tort or both. For the academic year 2019-2020, the case note will be on tort.</p>
<p>Mode of resit assessment (if applicable)</p>	<p>Mode of resit</p> <p>i) Same assessment method</p> <p>ii) Fresh assessment content</p>
<p>Indicative Sources (Reading lists)</p>	<p><u>Contract</u> - Core Books Macdonald E, Atkins R and Koffman L, <i>Koffman & Macdonald's Law of Contract</i> (9th edn, Oxford University Press 2018) Merkin R, Saintier S, <i>Poole's Casebook on Contract Law</i> (14th edn, Oxford University Press 2019)</p> <p>Further Reading McKendrick E, <i>Contract Law: Text, Cases, and Materials</i> (8th edn, Oxford University Press 2018) Burrows AS, <i>A Casebook on Contract</i> (6th edn, Hart Publishing 2018)</p> <p>Tort Birmingham V and Brennan C, <i>Tort Law</i> (6th edn, Oxford University Press 2018)</p>

	<p>Horsey K and Rackley E, <i>Tort Law</i> (Fifth edition, Oxford University Press 2017)</p> <p>Horsey K, Rackley E and Kidner R, <i>Kidner's Casebook on Torts</i> (14th edition, Oxford University Press 2017)</p> <p>Steele J, <i>Tort Law: Text, Cases, and Materials</i> (4th edn, Oxford University Press 2017)</p>
Other Learning Resources	Moodle Site

**FULL-TIME LLB/CD CONTRACT AND TORT CLASSES.
SEMESTER 1 (2019-20)**

WEEK COMMENCING	WEEK	WORKSHOPS	LECTURE TOPIC	SEMINAR GROUP & ROOM - Please consult your own personal timetable
		MONDAY, 12-1.00pm Keyworth Events Lecture Theatre, Keyworth Building	THURSDAY, 3-5.00pm Keyworth Events Lecture Theatre, Keyworth Building	
Sept 23rd	1.	Foundation Programme classes only	Foundation Programme classes only	Foundation Programme classes only
Sept 30th	2.	Foundation Programme Classes only	Foundation Programme Classes only	Foundation Programme classes only
Oct 7th	3.	Contract Workshop 1 Explanation of course, assessment, moodle and books.	Contract Lecture 1 -Introductory concepts -Contractual offers	Foundation Programme classes only
Oct 14 th .	4.	Contract workshop 2 How to approach multiple choice questions	Contract Lecture 2 -Contract acceptances -Termination of offers	Contract Seminar 1 Reading a case - Carlill v Carbolic Smoke Ball Co [1893]
Oct 21st	5.	Contract Workshop 3 How to approach short contract problem questions	Contract Lecture 3 -Consideration	Contract Seminar 2 Offer and Acceptance Problems
Oct 28th	6.	Self-managed Study Week. No scheduled classes. Students should use this week to prepare the formative case note exercise based on Central London Properties v High Trees House Ltd	Self-managed study week. No scheduled classes. Students should use this week to prepare the formative case note exercise based on Central London Properties v High Trees House Ltd	Self-managed study week - No scheduled classes. Students use this week to prepare the formative case note exercise based on Central London Properties v High Trees House Ltd
Nov 4th	7.	Contract Workshop 4 Formative Case Note Answers on Central London Property Trust Ltd v High Trees House Ltd [1947]	Contract Lecture 4 -promissory estoppel -Intention to create legal relations -Certainty of terms	Contract Seminar 3 A problem question on Consideration and estoppel

Nov 11th	8.	Contract Workshop 5 Formative (Mock) MCT assessment	Tort Lecture 1 Introductory Concepts and torts in general	Contract Seminar 4 Pulling it all together - formation of contract problem question.
Nov 18th	9.	Tort Workshop 1	Tort Lecture 2 Trespass to the Person - Assault and Battery	Tort Seminar 1 Introduction to torts
Nov 25 th	10.	Tort Workshop 2	Tort Lecture 3 Trespass - Defences	Tort Seminar 2 Trespass to the Person - Assault and Battery
Dec 2nd	11.	Tort Workshop 3	Tort Lecture 4 Trespass to the Person - False Imprisonment, and the rule in Wilkinson v Downton	Tort Seminar 3 Trespass - Defences
Dec 9 th	12.	Tort Workshop 4	Contract & Tort Review	Tort Seminar 4 Trespass to the Person - False Imprisonment, and the rule in Wilkinson v Downton
Dec 16th		Christmas	Christmas	Christmas
Dec 23rd		Christmas	Christmas	Christmas
Dec 30th		Christmas	Christmas	Christmas
Jan 6 th	13	Private study for MCT and case note assessment	Private study for MCT and case note assessment	Private study for MCT and case note assessment

After we break up for the Xmas vacation on Friday 14th December there are no more taught classes until the start of Semester 2 in week commencing Monday, 27th January 2020.

Students should use this time to prepare for the MCT and case note assessments.

STUDYING CONTRACT AND TORT LAW.

1. The importance of the law of contract and tort.

The law of Contract and Tort are both foundation subjects that all lawyers are expected to cover. Without studying the law of contract and tort, you will not have a qualifying law degree to enable you to go on to qualify as a solicitor or barrister. They are both, therefore, very important subjects that lie at the heart of the English Legal System. It is difficult to think of a subject that you will study on the law degree that has not been influenced by the law of contract and/or tort.

2. The importance of the books.

It is essential that you use the books that have been made available to you on Law Trove. Lecture notes and materials will, on their own, rarely ever be enough to pass a degree course. You will be expected to consolidate your learning in the lectures by reading the relevant chapters in the recommended books. Without these 'tools' you will not be able to properly engage in the course or prepare for the seminars, coursework and the examination. The books, therefore, are terribly important.

The law division provides first year students with an ipad and the textbooks required for their modules can be down loaded electronically from OUP Law Trove through the library into the ipad that you have been provided with.

3. You are reminded that the recommended books are:

Contract

Macdonald & Atkins, 'Koffmann & Macdonald's Law of Contract, (9th edn 2018) OUP

Tort

Horsey and Rackley, Tort Law

If you buy a hard copy of these books, please ensure you acquire the most recent editions.

4. The role of a casebook

The use of a casebook is just as important as a textbook. Contract law is very much a product of the common law, which is made up of case law. That is not to say that statute law and the law of the EU do not have an important role to play. They do. However, even here, the case law is important as it is in court judgments that the statutes are interpreted and applied.

A casebook will save you time and give you a much deeper understanding of the issues. The author will have done much of the difficult work for you! He or she will have précised the facts and selected the important parts of the judgment, which will probably include the *ratio decidendi* and any *obiter dicta* statements. Dissenting judgments are also normally included. In addition, the author may have commented upon or criticised the decision, putting the case in some sort of context.

5. The purpose of and preparation for seminars.

The purpose of the seminars is not to teach the relevant topic again in the form of another mini lecture. Instead, the function of the seminars is to discuss the relevant legal issues and apply the law to given problem situations. This may also involve analysing and criticizing the law in a constructive way, perhaps also offering views on how the law should be reformed. This inherently involves reading around the subject.

Reading for a law degree requires you to dedicate a large amount of time and commitment to preparing for the seminars. There are no short cuts.

You should always try to come along to the seminars fully prepared and ready to participate in the discussion. In order to do this you should carry out the recommended reading in the textbook and casebook. It may be that some of the questions set will not have been specifically addressed in the lecture, in which case you will be expected to read around the subject independently, towards preparing for the seminar.

It is unlikely that you will be able to deal with a seminar question without having some sort of written answer. This may not necessarily involve a lengthy essay breaking new legal frontiers! However, as a minimum it is suggested that you prepare a list of points and cases that you feel are relevant to the question.

Seminars will also allow you to identify difficult concepts and area of Contract Law for further discussion or elaboration. This, together with the opportunity to exchange different points of view, is perhaps the real value of seminars. If you have encountered difficulties, do appreciate that you will be expected to identify the specific difficulty rather than simply saying, 'it's too hard!' Remember, too, that there is often no right or wrong answer: law is sometimes about which one of two arguments is more persuasive.

Seminars will also give you the opportunity to develop effective examination technique in answering Contract and Tort questions. This is terribly important. Good structure, presentation, the use of argument and the correct use of English and grammar are essential skills that as a lawyer you should practice and develop.

Finally, please do not see seminars as a weekly test or examination. Try to look at the contract seminars as a means to facilitate your deeper understanding, and, hopefully, enjoyment of the subject.

1. Contract and Tort Workshops

The one-hour workshops may be used for a variety of purposes including, but not limited to the following:

- (a) Concentrating on particularly challenging concepts
- (b) Considering an important case
- (c) Practice in answering questions
- (d) Examination technique
- (e) Help in preparing for the seminar question

2. Conclusions.

- (a) Use the recommended books.
- (b) Attend lectures and seminars.
- (c) Prepare for the seminars by reading the relevant chapters in the recommended books and writing an outline response to the questions.
- (d) At the seminars be prepared to exchange your views with fellow students.

- (e) Some seminar questions may not have been addressed in the lecture, thus requiring you to read around the subject yourselves.
- (f) Examination questions may be set that have only been dealt with in seminar

CONTRACT WORKSHOPS

WORKSHOP 1

In this introductory session we will:

- Access the Module Guide via Moodle for Introduction to Contract & Tort
- Access Lawtrove - the online law library provided by Oxford University Press
- Explain the weekly schedule of classes for this module
- Consider the relationship between workshops, lectures and seminars
- Explain how the module is assessed
- Outline the content of both the substantive law of contract and tort covered in the module
- Consider some important aspects of how to study this module
 - Preparation and attendance
 - Note taking
 - Consolidation and reading around the subject
 - Acquiring a good knowledge and understanding of the cases
 - The importance of citing legal authorities and constructing a legal argument

Activity

Consider the following question.

Chris owns a shop selling electronic equipment. He displays a television in the window with a ticket attached which states:

'Amazing Offer. This 50 inch Sony TV is an absolute bargain at £20.00'

Kim sees the TV displayed and goes into the shop to buy it. When she comes to pay, Chris realises the ticket price is wrong and it should be £2,000. He refuses to sell Kim the TV.

Refer to your Foundation Materials and find the case of *Fisher v Bell*. Apply the legal principles established in this case and advise Kim as to her legal position.

Your advice should consist of a number of written short sentences explaining the relevant legal principles.

CONTRACT WORKSHOP 2

In this workshop we will be looking at the multiple choice form of assessment. There will be a short presentation by the tutor followed by some examples for you to have a go at.

Materials will be made available during the session and on Moodle

CONTRACT WORKSHOP 3

In this workshop we will consider how to go about answering more complex contract law questions. There will be a short presentation by the tutor followed by some short question examples for you to have a go at.

Materials will be given out during the session and on Moodle

CONTRACT WORKSHOP 4

In this workshop we will use the time to consider the doctrine of equitable estoppel which is related to consideration. If estoppel can be established, then consideration is not needed to modify or vary an existing contract.

You will need to read the case of *Central London Property Trust Ltd v High Trees House Ltd* [1947] 1 KB 130 and then answer the following questions. (A copy of the case and questions can be found on the Moodle site)

1. (a) What was the name of the plaintiff?
(b) What was the name of the Defendant?

- (c) What was the relationship between the plaintiff and the defendant?
2.
 - (a) In which court was the case heard?
 - (b) What was the name of the judge who heard the case?
 - (c) What was the name of the solicitors who represented the Plaintiff?
 - (d) What was the name of counsel who appeared on behalf of the Defendant?
 3. In your own words, summarise the facts of the case in no more than 100 words.
 4. In the subsequent legal action, what, exactly, did the Plaintiff claim?
 5. What defences did the Defendant plead to the action?
 6. What consideration did the Plaintiff provide to the Defendant to buy the Defendant's promise to accept half rent?
 7. How did the judge overcome the problem of the case of **Jorden v Money** (1854)?
 8. For how long, and why, did the judge decide that the defendant's promise to accept half rent was to last?
 9. Explain whether the Plaintiffs could have changed their mind and demanded the full rent for the war years as well.
 10. Who won the case?
 11. If the Defendant had wanted to appeal this decision to which court would they have appealed?

12. Briefly advise A on the legal position if the facts of the case were different as follows.

A owes B £2500 payable on Friday.

On Friday B promises A that he will accept £1250 in full and final settlement of the debt.

B then goes back on his word and demands the full £2500 from A

CONTRACT WORKSHOP 5

In this workshop you will have an opportunity to attempt a mock MCT assessment. You will be given 15 contract multiple choice questions to attempt in 30 minutes and then we will go through the answers together. You will mark your own answers and the result is not part of your formal assessment; it simply an opportunity for you to practise answering multiple choice questions within a limited time-period. Remember that you have practiced five multiple-choice questions each week in the seminars and there are further self-assessment multiple choice questions on the moodle site each week.

CONTRACT SEMINARS

CONTRACT SEMINAR 1

CASE STUDY

Read the facts together with the judgments in *Carlill v Carbolic Smoke Ball Co* [1893 1 QB 256], and then answer the following questions.

A copy of this case can be downloaded from the contract law Moodle site, where you will also find a copy of the advert placed by the Carbolic Smoke Ball Co.

1. Explain the facts of the case in your own words
2. The Smoke Ball Co raised the following defences.
 - (a) The advertisement was too vague to be enforced.
 - (b) The advert was a 'mere puff', and that there was no intention to create legal relations.
 - (c) It was not possible to enter into a contract with the whole world.
 - (d) There was no acceptance as Mrs. Carlill did not notify (communicate) her acceptance to the Smoke Ball Co.
 - (e) A contract requires there to be consideration. This is a legal term that, essentially, requires both parties to buy each others promise. It was argued that Mrs Carlill did not provide any consideration to buy the promise of the reward by the manufacturer, The Carbolic Smoke Ball Co Ltd?

Explain, briefly, **and in writing using full sentences**, what conclusions each judge reached in relation to the above defences. You may be asked to read out your answers to the group. **This requires you to go through each of the judgments commencing on p261 of the report.** You should consider the views of all three judges; Lindley, Bowen and AL Smith LJ.

When you have done this, construct a flow chart using the Popplet App which you downloaded in the First Workshop, and print it off and bring it to the seminar. Your flow chart should contain all five defences.

Reading: Atkins & Macdonald, Chapter 1 & 2

Circle the correct answer to the following questions.

1. Which one of the following statements is true?
 - (a) only an offer can be accepted
 - (b) only an invitation treat can be accepted
 - (c) a request for further information is a rejection of an offer
 - (d) an offer is an expression of willingness to negotiate

2. Which one of the following statements is true?
The general rule is that
 - (a) the test of whether the parties have reached agreement is an objective one
 - (b) the courts apply a test of fairness to decide whether or not the parties have reached an agreement
 - (c) the test of whether the parties have reached agreement is a subjective one
 - (d) the test of whether the parties have reached agreement is judged by what a reasonable lawyer would decide.

3. Which one of the following statements is false?
 - (a) an offer is an expression of willingness to be bound by stated terms
 - (b) an offer may be made to one person, a group of persons or the whole world at large
 - (c) a unilateral offer binds both parties as soon as it is made by the offeror
 - (d) an advertisement may sometimes be treated as an offer

4. Which one of the following statements is true?

At an auction the offer to buy a particular lot of goods is normally made

- (a) by the auctioneer
- (b) by the auction house in the auction catalogue
- (c) by the bidder
- (d) all of the above

5. Which one of the following statements is false?

A counter offer

- (a) destroys the original offer
- (b) results in a new offer being made which the original offeror can either accept or reject
- (c) is made by the original offeree
- (d) is a valid acceptance

CONTRACT SEMINAR 2

OFFER AND ACCEPTANCE

Reading: Atkins & Macdonald, Chapter 2

It is essential that you are able to cope with this style and level of question. Please think very carefully about the structure and content of your answer and prepare a written answer using full sentences. You may be asked to present your answers during the seminar.

1. Answer all parts of the following question.

- (a) A wrote to B and said, 'I would like to offer you £500 for your piano. If I do not hear from you by Friday I will consider the piano mine.' B did not reply and has instead sold the piano to C.

Advise A whether he is entitled to the piano. Would your answer be different if B replied by saying, 'I will think about your offer but if you do not hear from me by Friday assume that it's yours at that price'?

- (b) C lost her wedding ring on University premises. She placed a notice in the lift which said, 'Reward offered for the return of my wedding ring which I lost near this lift. It is gold with three mounted sapphires'. The notice also contained C's name address and telephone number. D found the ring and took it to C's address but when he got there he saw a notice on C's door which said that the reward was no longer available.

Advise D whether he is entitled to the reward.

- (c) G in England telephoned H in Belgium and asked if H was interested in selling G her computer. H replied that she was would sell the computer to G for £200. G said that she would only pay £180. Just as H was about to accept, the telephone line went dead and H was unable to get through to G again, so she sent G an email which was received by G at 3.00pm and read at 4.00pm.

Advise H whether there is a contract with G and, if so, where and when it came into existence.

Would your answer be different if instead of sending an email, H posted a letter of acceptance to G?

Circle the correct answer to the following questions.

1. Which one of the following statements about acceptance is false?
 - (a) acceptance is the unqualified acceptance of all the terms of the offer
 - (b) silence can never amount to acceptance
 - (c) acceptance by post is effective even if the letter never arrives
 - (d) it is not possible for a person to accept an offer that they are unaware of

2. On Monday, A offered to sell a car to B for £3,000. A promised to keep the offer until 5.00pm on the following Friday. B relied on this and arranged a bank loan for this amount.

Which one of the following statements is the most accurate statement of the law?

- (a) A can change his mind and revoke his offer any time before 5pm on Friday as long as this is communicated to B
- (b) A and B have made a contract to keep the offer open until Friday as there has been an offer and an acceptance of A's offer.
- (c) B has provided consideration in the form of detrimental reliance on A's offer
- (d) A is estopped from going back on his word

3. Which one of the following is not a method of termination of an offer.
- (a) Revocation
 - (b) Rejection
 - (c) Lapse of time
 - (d) A request for further information about the offer
4. On 1 June A wrote to B offering to buy B's painting for £1,000. B received this letter on 2 June and decided to accept it. B posted a letter of acceptance the next day on 3 June. B's letter of acceptance was received by A on 4 June. In the meantime, A changed his mind and revoked his offer in a letter sent to B on 2 June. Due to a postal strike this letter was not received B until 7 June.

Which one of the following statements is true?

- (a) A contract between A and B was concluded on 2 June when B decided to accept A's offer.
 - (b) There is no contract between A and B because the offer was revoked when the letter was posted on 2 June
 - (c) A contract between A and B was concluded on 3 June
 - (d) A contract between A and B was concluded on 4 June
5. Which one of the following statements is false?

In a unilateral offer

- (a) it is not possible for the offeror to revoke his offer
- (b) performance of the stipulated act constitutes the acceptance
- (c) the offeror is bound when the offeree fulfils the conditions specified in the offer
- (d) communication of acceptance is waived by the offeror

CONTRACT SEMINAR 3

Reading: Atkins & Macdonald Chapters on Consideration and Estoppel

Problem question on Consideration and Estoppel

1. Please prepare a list of points and cases to the following question and bring it along to your class.

At the beginning of December, Andy employed Bob to build a conservatory on to his house. The agreed price was £10,000 and the work was to be completed by 1st January as Andy intended to hold a party at his house to celebrate his fortieth birthday. In order to pay Bob, Andy borrowed £10,000 from Mick to be paid in ten, monthly, instalments of £1050 to include interest. Due to illness, Bob fell behind with the work. Andy feared that Bob would not complete the work in time for his party so, as an incentive to finish the conservatory on time, Andy offered Bob an extra £800, which Bob accepted. In mid-December, Andy was made redundant. Mick promised Andy that he need only pay half of the loan instalments until he found employment again. The conservatory was completed on time and Andy was so pleased with the work that he promised Bob a £200 bonus. Andy is still out of work and he has received a letter from Mick demanding payment of all the outstanding arrears on the loan for the months of December, January and February, and also giving Andy notice that full instalment payments of £1050 must be resumed from March.

Advise Andy on the following issues:

- (a) whether he is bound to pay the £800 he promised Bob to complete the work on time;
- (b) whether he is bound to pay Bob the £200 bonus;
- (c) whether he has to pay Mick all of the arrears on the loan;
and
- (c) whether Mick can, by giving notice, insist that the full loan instalments be resumed from March.

Circle the correct answer to the following questions.

1. Which one of the following is not good consideration?
 - (a) Performing an existing public duty
 - (b) Payment of a lesser sum owed by a third party
 - (c) £1 for a new motor car
 - (d) A promise to work overtime in return for a promise to pay extra

2. A offers B (his brother) a lift home during the tube strike. As B gets out of the car he says to A 'remind me to buy you a drink for your trouble'.
Which one of the following statements is true?
 - (a) There is a valid contract as there is an offer acceptance and consideration by both parties
 - (b) There is no valid contract because B's promise to buy A a drink amounts to past consideration
 - (c) There is no valid contract because there can never be an intention to create legal relations between brothers
 - (d) There is no valid contract because the promise to buy a drink is not adequate consideration

3. Which one of the following statements is true?
 - (a) Consideration is always required to form a simple contract but not necessarily to modify it
 - (b) Past consideration is never good consideration
 - (c) Consideration must be adequate but not sufficient
 - (d) Practical benefits cannot amount to consideration

4. Which one of the following statements is true about promissory estoppel?
- (a) it can be relied on as cause of action
 - (b) there must be an existing legal relationship between the parties
 - (c) it must be inequitable to allow the promisee to go back on their word
 - (d) it requires the promise to be supported by consideration
5. Which one of the following statements is false about promissory estoppel?
- (a) it was developed, largely, by Lord Denning
 - (b) it requires the promisee to alter their legal position
 - (c) it can be applied to the formation and modification of a contract
 - (d) it can suspend and extinguish contractual rights

CONTRACT SEMINAR 4

PUTTING IT ALL TOGETHER

Reading: Atkins & Macdonald, Chapters 2,3,4,5 and 6

Prepare a written list of points and cases that you think are relevant to this problem. You may be asked to read out some of your points and cases to your seminar group.

1. Mike's daughter, Jade, attended North Bank University. The contract between Jade and the University required her to attend 75% of her lectures. Mike was concerned that Jade would not comply with this and so promised her £1,000 if she did so.

In order to fund her studies Jade borrowed £1,000 from her Auntie Tracey. There is a brief written contract which was drawn up by Tracy and which provides for repayment of the full amount in cash by Jade on July 30th. In addition, Tracey did some part time cleaning work for Ashok. Recently, Ashok promised her £80 'for all those times that you have stayed late to make sure the work has been completed'.

Jade saw an advert in the Elephant Times placed by The Computer Store. It read: 'Amazing offer - Mini ipads for sale at the bargain busting price of only £4.' When Jade went to the shop to accept this offer, she was told that there was a typing error in the advert and that the price should have read £399. The computer Store refused to sell an ipad to Jade.

Jade has since fallen out with Tracey and on July 30th told her that she could only afford to pay her £500 by cheque in full and final settlement of the loan. Tracey reluctantly agreed to this as she needed the money to pay off her credit card bill.

Mike and Ashok have changed their minds about giving Jade the £1,000 and £80 respectively. Tracey has also changed her mind and now wishes to sue Jade for the outstanding £500.

Advise Jade as to her potential rights and liabilities under the above agreements.

Circle the correct answer to the following questions.

1. Which one of the following statements is false?

Gaps in an incomplete agreement may

- (a) be filled by the courts relying on s8 of the Sale of Goods Act 1979
- (b) be filled by the courts relying on s15 of the Sale and Supply of Goods and Services Act 1982
- (c) be filled by relying on the previous dealings between the parties
- (d) never be filled resulting in no contract coming into existence

2. Which one of the following statements is true?

In *Jones v Padavatton* [1969] the court held that

- (a) The mother was entitled to a repossession order to her property
- (b) The daughter could not resist the repossession order because she had provided no consideration to buy her mother's promise to allow her to live in the house
- (c) The daughter was allowed to live in the house based on a contract she had made with her mother.
- (d) Agreements between parents and their children can never be legally binding because there is no intention to create legal relations

3. Which one of the following statements most accurately describes the law?

- (a) Intention to create legal relations is not always required in English contract law as long as consideration has been given
- (b) In commercial agreements the presumption of intention to create legal relations can never be rebutted
- (c) In domestic agreements the presumption against intention to create legal relations can never be rebutted
- (d) None of the above.

4. Which one of the following cases did not involve family agreements?

- (a) *Balfour v Balfour* [1919]
- (b) *Merritt v Merritt* [1970]
- (c) *Jones v Padavatton* [1969]
- (d) *Edmonds v Lawson* [2000]

5. Chris promised to sell his car to Emily, his niece, for £5,000. Emily relied on the promise made by Chris and arranged a bank loan to buy the car.

Which one of the following statements is most accurate?

- (a) there is no contract as there is a presumption that in family agreements like this there is no intention to create legal relations
- (b) there is no contract because the agreement is not in writing or evidenced in writing
- (c) there is a contract because the context of the agreement rebuts the normal presumption that family agreements are not legally binding
- (d) there is a contract because the normal presumption does not extend to agreements between uncles and nieces