

Questions for contract course

Day 1

Define an „invitation to treat“, and set out examples of the ways in which a business might use it to attract potential customers.

(5 marks)

Alison runs a psychotherapy business from her home. To ensure that her patients are comfortable, she has both a chair and a sofa in her consulting room, for their use.

Feeling the need to refresh her furniture, Alison decides to sell the sofa, and advertises it on Rumentree, an online sale forum. She describes it as *“Two seater oversprung sofa with feather filled cushions, nearly new condition. Sold as seen.”*

James sees the advert and arranges to view the sofa. After a quick inspection at Alison’s home, he agrees to purchase the item and pays for it outright. He also makes Alison an offer for the chair, which she accepts. Only having transport for one item, he leaves the chair and takes the sofa home. He arranges to collect the chair a week later, leaving a 50% deposit for it, with Alison, in the meantime.

Once he has the sofa home, James has a closer look at it and quickly realises that its cushions are not feather filled. Worse, the second time he sits on the sofa, one of its legs breaks off.

Before he can collect the chair, James receives a phone call from Alison. She is upset to inform him that, on the previous evening, one of her patients became distressed while using the chair and scribbled all over it with a marker pen, causing extensive damage. Alison explains that she will be happy to consider reducing the price of the chair a little, in the circumstances.

James explains that he no longer wants the chair; he wants his deposit back, and wants compensation for the problems he has encountered with the sofa, as well. Alison refuses on all counts and insists that James pays the reduced balance for the chair.

Advise James as to what, if anything, he is entitled to, according to the laws of contract.

25 marks

Day 2

Briefly explain what is meant by the term „privity of contract“ and the principal exceptions to the doctrine, if any.

(5 marks)

Explain, with reference to case law and other examples, what is meant in contract law by „misrepresentation“, and what the consequences are.

(25 marks)

Day 3

Briefly compare and contrast „exclusion“ clauses from „limitation“ clauses in a contract.

(5 marks)

In April, Susan bought a Trailer 2000 bike, from Hatfords, a local shop, for her school-age son, Jason. Although the marked price was £180, this was reduced by £40 in the spring sale, and by a further £25 because Susan bought the last one in the shop; it had been out on display for some time and had some scuffed paintwork. Susan was keen to get a bike because Jason is quite overweight and needs to do more exercise, which she explained to the sales assistant.

Susan gave the bike to Jason as a birthday gift in late May, and he took to it with enthusiasm, cycling almost every day. Unfortunately, after a month, the frame on the bike began to buckle and, having been used in the rain, rust had begun to appear on the frame where the metal was exposed. One day, while out on the bike, the frame gave way under Jason, leaving him with cuts and bruises. The Trailer 2000 is ruined.

a) Set out what, if any, remedies may exist for Susan under contract law;

(15 marks)

and

b) what, if any, remedies may exist for Jason.

(10 marks)

(Total of 25 marks)

Section C