



جامعة السلطان الشريف علي الإسلامية  
UNIVERSITI ISLAM SULTAN SHARIF ALI  
SULTAN SHARIF ALI ISLAMIC UNIVERSITY

**Faculty of Shariah and Law**  
**Semester I, 2020/2021 Academic Session**

**Final Examination**  
**Question Paper**

**Course Code : LB1303**  
**Course Name : Law of Contract I**  
**Course Level : Bachelor's Degree**  
**Time : 3 hours**

**Reference(s) allowed:**

**CONTRACTS ACT (CAP. 106) of the laws of Brunei Darussalam**

**Instructions:**

1. Answer any **four** of the following questions.
2. All answers, wherever relevant, must be supported by statutory provisions and case law.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**QUESTION 1 (15 Marks)**

The case of *Carlill v Carbolic Smoke Ball Company* [1893] is a significant and landmark case as it enshrined various important and vital principles in the law of contract.

Discuss.

**QUESTION 2 (15 Marks)**

Aminah wants to sell her apartment and places an advert in the local newspaper as follows:

*"An apartment for sale: \$200,000. Contact no: 765 4321."*

Dahlia sees the advertisement and rings Aminah and makes an appointment to see the apartment. Dahlia likes the apartment, but she does not agree to the price. Aminah insists on \$200,000, but Dahlia states that her highest offer is \$195,000.

On the following Monday, Dahlia receives a letter from Aminah offering her the apartment for \$198,000 and saying that Dahlia can have until noon on Friday to think about it. On Wednesday evening Dahlia meets her brother Ahmad in their local supermarket. Ahmad tells her that Aminah's son-in-law has bought the apartment earlier that day for \$196,000. Dahlia goes straight home and writes a letter to Aminah, accepting her offer to sell at \$198,000. She posts the letter immediately and Aminah receives it on Saturday morning, but replies by return saying "You are too late. I have sold the house to my son-in-law. Anyhow, you are supposed to inform and get back to me by Friday. "

Advise Dahlia.

**QUESTION 3 (15 Marks)**

- (a) "An offer is not effective until it is communicated by the offeror to the offeree". Discuss with the support of the relevant statutory provisions and case laws.

(7 Marks)

- (b) Compare and evaluate the case of *Gibson v Manchester City Council* [1979] with *Storer v Manchester City Council* [1974].  
(8 Marks)

**QUESTION 4 (15 Marks)**

Yusof and Majid are biological brothers. After the death of their father, they entered into a written family arrangement, prepared and witnessed by an advocate and solicitor. Under the contract, Majid agreed to give Yusof for love and affection \$30,000 in cash, a house and a piece of land. In return, Yusof agreed not to make any further claim against Majid or against the estate of their father. Majid then gave Yusof the cash and the house as agreed, but not the piece of land.

- (a) Advice Yusof on the current law on consideration and on the situation he faces.  
(8 Marks)
- (b) Compare and analyse this scenario with the situation in the case of *In re Tan Soh Sim, Deceased* [1951].  
(7 Marks)

**QUESTION 5 (15 Marks)**

Although the Contracts Act is silent on the question of “intention to create legal relations”, there seems to be no doubt a vital requirement of a valid contract is that the parties must have the intention to enter into such a relationship.

Discuss.

**QUESTION 6 (15 Marks)**

Examine the legal consequences of a breach of a condition, warranty, and an innominate term, with the support of the relevant case laws for each situation.

Describe the facts and principle of the case *Stilk v Myrick* (1809) on consideration.