



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

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

Final Examination Question Paper

Course Code : LB1304
Course Name : Law of Contract II
Course Level : Bachelor of Laws (LL.B) & Bachelor
of Shariah Law (BSL)
Time : 3 hours

Reference allowed:

Contracts Act (Cap. 106) of the laws of Brunei Darussalam

Instructions:-

1. Answer any **Four (4)** out of the following questions.
2. All answers must be supported by statutory provisions (wherever relevant) and also case laws.

QUESTION 1 (15 Marks)

Section 57(2) of the Contracts Act states:

“A contract to do an act which, after the contract is made, becomes impossible, or by reason of some event which the promisor could not prevent, unlawful, becomes void when the act becomes impossible or unlawful.”

Describe and illustrate application of the above provision.

QUESTION 2 (15 Marks)

(a) Munirah, a 20 year old, is living with her uncle, Mokhtar, since the death of her mother 6 years ago. Mokhtar has been helping her to recover from her loss and grieves. Munirah would always seek fatherly advice from Mokhtar on any matters before she could make any decision about her future and her life. Munirah has recently, upon the persistent requests of her uncle, sold and transferred her only property him (Mokhtar), that is a piece of land for \$20,000. Munirah very well knows the market value of the land, which according to a property valuer, is \$70,000. She has never intended to part with the property but for her uncle’s insistence.

Munirah now seeks your advice as to whether she could set aside the property transfer and get back her land on the ground of undue influence.

(9 Marks)

(b) Examine the doctrine of substantial performance of contract, with reference to decided cases.

(6 Marks)

QUESTION 3 (15 Marks)

(a) Section 21 of the Contracts Act provided that “where both the parties to an agreement are under a mistake as to a matter of fact essential to the agreement, the agreement is void.”

Discuss.

(12 Marks)

(b) Describe the principle of “Non Est Factum”.

(3 Marks)

QUESTION 4 (15 Marks)

Sanjit wishes to buy a sports car and visits Marcella, a car dealer. Sanjit immediately falls in love with a vehicle known as a Land Patrol, which Marcella describes as the 'most reliable car on the road'. He asks Marcella about the age of the vehicle. Marcella consults the Land Patrol's documentation and sees that it is written in Italian. Marcella's Italian language skills are very basic but he has an attempt at deciphering the information and eventually informs Sanjit that the car is 'brand new'. Sanjit glances at the registration plate of the vehicle and notices that the registration would suggest that the vehicle is older than Marcella has claimed. Sanjit suspects, but is not certain, that Marcella has given him incorrect information about the age of the car.

Sanjit decides to buy the car. Over the course of a few weeks, various defects appear in the car which cost Sanjit \$2,000 to repair. Finally, one morning the car will not start and Sanjit has to spend \$500 in taxi fares that week to commute to his work place. He then finds out that the car is not brand new but eight years old.

Advise Marcella as to his potential liability to pay damages for misrepresentation and/or fraud.

QUESTION 5 (15 Marks)

(a) Examine the consequences (i) where a minor has fraudulently misrepresented his age and thereby induced a person to contract with him, and (ii) a marriage contract by a minor.

(7 Marks)

(b) Aminah owns a very profitable and well known batik business, Batik Designs Sdn. Bhd. in Gadong, a company specializing in the design and printing of batik for export to the ASEAN countries. She decides to sell the company to Lola. In the agreement, Aminah undertakes that "she will not open up a new business within 10-mile radius of Gadong Mall which specializes in any form of batik design and printing, and any other textile business, for a period of five years." Aminah now opens up a small factory in Beribi to produce general textile for the Bruneian and Borneo markets. Lola files an application in the High Court for an injunction to enforce the covenant against Aminah.

Discuss.

(8 Marks)

QUESTION 6 (15 Marks)

(a) Section 24(e) of the Contracts Act: "The consideration or object of an agreement is lawful, unless - ... (e) the court regards it as immoral, or opposed to public policy."

Discuss the above provision.

(7 Marks)

(b) Examine the principle of remoteness of damages as enunciated in the case of *Hadley v Baxendale* (1854) and provided for in the Contracts Act.

(8 Marks)

بالتوفيق والنجاح