



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 case law.

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

QUESTION 1 (15 Marks)

All contracts entered into by a minor are generally void by virtue of the provisions under the Contracts Act. However, section 69 of the Contracts Act allows a person who has supplied 'necessaries' to the minor to receive reimbursement from the property of the minor.

Discuss.

QUESTION 2 (15 Marks)

In June 2020, Eagle Motors Sdn Bhd placed an advertisement in a national newspaper which reads, "Brand new, luxury sports car for sale, only \$85,000". Lucky & Rich Company in July agreed to buy the car from Eagle Motors Sdn Bhd for the asking price. The car will be owned by Lucky & Rich Company and driven by its managing director. In the two months after Lucky & Rich Company bought the car, it found that it had a number of mechanical defects. Eagle Motors Sdn Bhd repaired some of these defects, but in September, Lucky & Rich Company contacted the garage and asked for its money back. Eagle Motors Sdn Bhd refused. Lucky & Rich Company later discovered that the car was not brand new when it bought it because, although it had been manufactured and delivered to Eagle Motors Sdn Bhd two years previously, it had remained in the garage as it needed various repairs.

Advise Lucky & Rich Company whether it could bring a claim against Eagle Motors Sdn Bhd for misrepresentation and/or fraud, including the possible remedies that can be claimed, if any.

QUESTION 3 (15 Marks)

(a) Describe the relationship between sections 15 and 73 of the Contracts Act.

(7.5 Marks)

(b) Assess and analyse the position of coercion under the Contracts Act and duress under the English law?

(7.5 Marks)

QUESTION 4 (15 Marks)

Yusof and Nadia book a honeymoon with a tour operator, Msytical Tours. Their itinerary is for an 8-day holiday, which includes 6 days in Phuket, Thailand, followed by 2 days in Penang. The total price is \$3,500 and receive an invoice for the same which reads:

8-day "RelaxLeisure Package" tour: \$3,500.00

To: 6 days in Phuket, Thailand, inclusive of accommodation - \$1,500,

2 days in Penang, inclusive of accommodation - \$500.

To: airfares and other associated costs: \$1,500.

Total: \$3,500 payable in advance.

Yusof and Nadia paid the entire amount in advance. On the third day of their holiday in Phuket, Thailand, a massive cyclone (tropical storm) hits. Their entire holiday is ruined. Yusof and Nadia are lucky to escape with their lives. They ask for their money back from Mystical Tours for their entire contract price of \$3,500.

Advice Yusof and Nadia on whether or not they could rely on the doctrine of frustration and also on whether or not they could claim back the entire or any of the contract price which they have paid in advance from Mystical Tours.

QUESTION 5 (15 Marks)

Answer the following separate and independent questions:

(a) Examine the circumstances in which a mistake affects the validity of a contract.

(7 Marks)

(b) Sarip is a well-known gangster in Kampung Pisang. His job is to take away people's life or damage their property. Recently, Rahman, a prominent businessman had some problem with his partner, Kumar. Rahman promised Sarip a hefty sum if Sarip can teach Kumar a lesson. Sarip, who is proud of his profession, damaged Kumar's car. Rahman however refuses to pay. Advice Sarip.

(4 Marks)

(c) Mariam is a law graduate. Recently, she went for an interview and managed to get the job with a prominent law firm. The law firm is in Batu Besurat, Gadong. However, her letter of appointment reads: "While she is working with the company, she is not permitted

to work in any other law firms even on Saturdays and Sundays. Upon her leaving the employment, she is prohibited from opening a law firm within 7 kms of the prominent law firm for a period of 3 years". Mañiam seeks your advice.

(4 Marks)

QUESTION 6 (15 Marks)

(a) When a plaintiff claims damages against a defendant, he has to show that the loss in respect of which he is claiming was caused by the defendant's wrong. The plaintiff must also show that the damages are not too remote to be recoverable. The principle of remoteness of damages is a limiting principle of policy.

Evaluate and demonstrate the above proposition.

(12 Marks)

(b) Explain what are meant by liquidated and ascertained damages, and non-pecuniary loss.

(3 Marks)

بالتوفيق والنجاح