

# THE HONORABLE SOCIETY OF KING'S INNS

## DEGREE OF BARRISTER-AT-LAW

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### ENTRANCE EXAMINATION

# CONTRACT LAW

## August 2022

DATE | Friday 12 August 2022

TIME | 3 hours

EXAMINER | Professor Raymond Friel (UL)

EXTERNAL EXAMINER | The Hon Mr Justice Conor Dignam

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### Instructions

A candidate must answer Question 1 (50% of marks) and **TWO** other questions (each 25% of marks).

This paper is 5 pages long including the cover sheet.

# CONTRACT LAW

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## Q1 | COMPULSORY QUESTION

**50 MARKS**

Harry has ordered some specific materials for use in the construction of a small development of up-market houses that he is building. In particular, he wanted White Siberian Oak because of both its strength and unusual colour. After much trying, he found Elizabeth, who was willing to supply this wood for him. In their initial discussion, Harry made it quite clear that he only wanted this particular wood. Elizabeth said that she understood this. They eventually they came to an agreement. Delivery was to be 6 months from the contract date.

Elizabeth sent Harry a formal notice of their agreed contract by mail to supply this wood at €100 per metre. At the end of the contract document, it stated the following:

“All contracts are entered into on our standard terms and conditions of sale, full details of which can be found on our website.”

When the time came for the wood to be delivered, Elizabeth called Harry to tell him that due to international sanctions, White Siberian Oak was no longer available. Accordingly, she was exercising her right under Clause 35 of her standard terms of contract which reads:

“We reserve the right to substitute, at our absolute discretion, the next nearest available wood product of similar quality if the original wood ordered is no longer available.”

As a result, she was substituting White New England Oak for the same price. Harry was incensed at this as he had made it clear that he was only interested in White Siberian Oak when they were negotiating the contract. Elizabeth said there was nothing she could do: international sanctions were outside of her control. Harry then made the point that, although White New England Oak was somewhat similar to White Siberian Oak, the most similar alternative wood product was White Finnish Oak. Elizabeth said the cost of White Finnish Oak had risen to €500 per metre due to shortages and that supplying White Finnish Oak would make the contract uneconomic.

Advise Harry as to his legal position under the law of Contract.

## CONTRACT LAW

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Q2

25 MARKS

Mary was the Treasurer of a local motor rally club in her town. She was delighted when the Global Rally Championship was to pass through their town. As a result, the club was required to provide marshalling for the event, as the club is an affiliate of the Global Rally Championship organisation. All the officer board of the rally club were required to assist in that marshalling. Mary jumped at the chance to be involved in this prestigious event.

The Global Rally Championship organisation sold tickets to the public that contained a clause “excluding any liability for harm arising from actions undertaken at the direction of the organisation or its affiliates during the Championship.”

On the day of the Championship, Mary was at a location when, acting on her own assessment of the situation, she moved people from the officially designated viewing point to a different area that she thought safer. In fact, the area to which Mary moved the spectators was not safer, and a subsequent accident resulted in a number of injuries to ticket holders.

Advise Mary and her local rally club as to whether, in the law of contract, the exclusion clause contained in the tickets will operate to protect them from any legal action.

## CONTRACT LAW

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Q3

25 MARKS

Noreen was in business selling ride-on lawnmowers. One weekend she was at a trade fair where a number of her competitors were displaying their products to potential customers. At the end of the day, a number of her colleagues and potential customers went to a restaurant to relax and unwind. Noreen was on painkillers as she had injured her back so she limited herself to two glasses of wine.

When she woke the next day, she could not remember much about the previous night. However, she had a vague recollection of entering into an agreement with Andrew who had been at the restaurant with her the previous night. When she checked her emails, she saw an email from Andrew thanking her for agreeing to sell him ride-on mowers with a 50% discount for bulk. She would never have agreed to this normally and can only assume the medication and alcohol impacted on her decision-making.

Advise Noreen as to the enforceability of the contract with respect to these facts.

## CONTRACT LAW

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Q4

25 MARKS

Luke was reading an article about Jennifer, a vintage jewellery store owner, which was dealing with some of the back stories to various items she was currently selling. Luke realised that one of the pieces was an 1850 engagement ring that was a family heirloom that had been passed down from generation to generation within Luke's family and which his grandmother had sold out of economic necessity over 60 years ago. Luke wanted to bring it back into the family so he telephoned Jennifer asking to buy it. Jennifer began to tell him about the antique 1850 ring but Luke said he had read it all in the article and just wanted to buy it. Luke transferred the money to Jennifer's account.

When Luke went to collect the ring, he realised this was not the ring in the article he was referring to, but another ring that had also appeared in the article. Moreover, on investigation, the ring he had purchased was in fact a reproduction of an 1850 ring

design made in 1950. Jennifer was not aware of this but said the age of the ring was not relevant to the contract.

Advise Luke as to his legal position under the law of contract.

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Q5

25 MARKS

*In relation to any **TWO** of the following issues, comment on whether the law is in need of reform, illustrating your answer with relevant case law.*

- (a) The postal rule in acceptance of an offer;
- (b) Duress in contract formation;
- (c) The calculation of damages for breach of contract.