



KENYATTA UNIVERSITY
UNIVERSITY EXAMINATIONS 2019/2020 FIRST SEMESTER
EXAMINATION FOR THE DEGREE OF BACHELOR OF LAWS
LPR 108:CONTRACT 1

DATE: THURSDAY, 5TH DECEMBER, 2019

TIME: 12.00 P.M. - 2.00 P.M.

INSTRUCTIONS:

1. Answer **ALL QUESTIONS**.
2. Support your answers with illustrations from relevant case law, statutory provisions and any other applicable references.
3. Your writing must be **NEAT** and **LEGIBLE**.
4. Your answer booklet must bear your **STUDENT'S REGISTRATION NUMBER** both on the cover and every written page therein.
5. Do not scribble or draft answers on the inner or outer cover pages of your answer booklets.
6. Do not write anything except your **REGISTRATION NUMBER** on this Question Paper.
7. **ALL** Kenyatta University Examination rules apply as if they were contained herein.

QUESTION ONE

Anna owns a shop that sells expensive watches. On 1st March Boris telephones the shop and asks if Anna would like to buy his Rolex watch. Anna says that she is 'certainly interested but would need to inspect the watch first'. On 2nd March at 10 am Boris visits the shop and says. 'this is the watch; its yours for Kshs. 10,000'. Anna replies ' I like it a lot but Kshs. 10,000 is too much for me'. Boris responds. 'that's okay, have a think about it and I will keep the offer open until midday on 4th March'.

Later on 2nd March, after Boris has left, Anna realizes that the watch would make a good gift for her son's upcoming 18th birthday. She calls Boris and offers him Kshs. 8,000 for the watch which Boris refuses. Anna says she will need to speak to her partner before offering any more. Whey they speak Anna's partner tells her that she should offer the full price. Anna immediately rings Boris and leaves a voice message saying she would like to buy the watch for Kshs. 10,000 and will assume this is acceptable unless Boris tells her otherwise in the morning. She adds that she will go to Boris's house at 1 pm the following day to pay for it. Boris was attending an evening business meeting when Anna rang. At the meeting Boris met Chas. Chas noticed the watch which he liked a lot and so immediately offered Boris Kshs. 10,000 for it which Boris accepted. At 1pm on 3rd March Anna goes to Boris's house to collect and pay for the watch. Boris is surprised as he got home late from his meeting and overslept and so had not yet listed to his voice messages.

Advise Anna

(30 marks)

QUESTION TWO

With illustration of relevant authorities explain the differences between an offer and an invitation to treat. (20 marks)

QUESTION THREE

Describe the rules relating to a party having the capacity to enter into a contract. (20 marks)