



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2008/2009

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF LAW

LCC 100: LAW OF CONTRACT

DATE: Tuesday, 2nd December, 2008 TIME: 8.00 a.m. – 10.00 a.m.

INSTRUCTIONS:

Answer question **ONE** and any other **TWO** questions.

1. Kenya is playing Nigeria at Nyayo National Stadium. Tickets are sold out but the ever resourceful Otieno has laid his hands on one extra ticket and is keen to get the maximum price for it; he sends out various sms's that whoever comes up with the highest bid gets the ticket. David offers him Kshs.500 for one ticket, saying he will consider the ticket if he has not heard from Otieno in 24 hours. Advise Otieno as to the legal position if:
 - a) Otieno, in a fit of confusion, disregards David's communication and gives the ticket to his pretty classmate Lois for free on condition that she accompanies him to the match.
 - b) Otieno posts a letter to David accepting his offer but upon receipt of the letter, David changes his mind and says he can no longer afford the exorbitant charge.
 - c) Kamau posts an offer of Ksh.600 after Otieno has posted the letter to David.

(30 marks)

2. In contract theory;
 - a) Why should contracts be enforced at all?
 - b) What do the different answers to the analytic question say about whether or not contractual obligations are self imposed?

(20 marks)
3. Freedom of contract is no freedom at all. Discuss.

(20 marks)
4. Considering as a test for enforcement should be replaced by the much simpler and more useful doctrine of intention to create legal relations. Discuss.

(20 marks)
5. In most contracts, you need not prove intention as the court will assume its presence. Discuss.

(20 marks)