

**UNIVERSITY OF GREATER MANCHESTER**  
**OFF CAMPUS DIVISION**  
**WESTERN INTERNATIONAL COLLEGE, RAS AL**  
**KHAIMAH**  
**LLB LAW**  
**SEMESTER ONE EXAMINATION 2025/2026**  
**CONTRACT LAW**  
**MODULE NO: LAW4017**

Date: Thursday 22<sup>nd</sup> January 2026

Time: 10:00am – 10:30am

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**INSTRUCTIONS TO CANDIDATES:**

This exam is 30 minutes long.

There are **TWENTY (20)** questions. Answer **ALL** questions. All questions carry equal marks. Each question is worth 1 mark.

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LLB Law  
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**1. Which of the following best defines misrepresentation in contract law?**

- A. False statement of fact that induces another to enter into a contract.
- B. Shared misunderstanding by both parties about a fundamental term.
- C. Written clause that both parties agree to include in the contract.
- D. Promise made after the contract has been signed.

(1 mark)

**2. Which doctrine applies where both parties are mistaken about a fundamental fact at the time of contracting?**

- A. Misrepresentation.
- B. Common Law Mistake.
- C. Frustration.
- D. Undue Influence.

(1 mark)

**3. In Raffles v Wichelhaus (1864) (the “Peerless” case), the court found that:**

- A. The contract was valid despite a misrepresentation.
- B. A common mistake rendered the contract void.
- C. No consensus ad idem (agreement) existed due to mistake.
- D. The misrepresentation made the contract voidable.

(1 mark)

**4. Which case is a leading authority on common mistake rendering a contract void at common law?**

- A. Bell v Lever Bros (1932)
- B. B. Redgrave v Hurd (1881)
- C. C. Smith v Hughes (1871)
- D. D. Derry v Peek (1889)

(1 mark)

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**5. Which of the following is a key difference between misrepresentation and common law mistake?**

- A. Misrepresentation requires proof of reliance; mistake does not.
- B. Both doctrines render contracts automatically void.
- C. Misrepresentation concerns future events; mistake concerns past events.
- D. Common mistake always gives rise to damages.

(1 mark)

**6. If a party is induced to enter into a contract by a false statement, what remedy is typically available?**

- A. Automatic discharge of contract.
- B. Rectification of contract.
- C. Rescission, and possibly damages depending on the type of misrepresentation.
- D. Specific performance

(1 mark)

**7. In the context of online shopping, which one of the following statements most accurately reflects the general principle of contract formation based on the reasoning in *Pharmaceutical Society of GB v Boots [1953] 1 QB 401*?**

- A. The retailer's website display of goods constitutes an offer, and a contract is formed as soon as the customer clicks "Add to Cart."
- B. The customer makes an offer when submitting the order at the checkout page, and the retailer accepts that offer when sending an order confirmation email.
- C. The retailer's display of goods online is an invitation to treat, and the customer's payment automatically completes the contract.
- D. The retailer makes an offer when displaying goods on the website, and the customer accepts by providing payment details online.

(1 mark)

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8. John places an advertisement in a local newspaper offering “£1,000 to anyone who returns my lost diamond ring.” Diana finds the ring and returns it without having seen the advertisement. Later, Diana learns about the reward and claims it. Which one of the following statements most accurately reflects the legal position?

- A. John’s advertisement is merely an invitation to treat and Diana cannot claim the reward.
- B. John’s advertisement constitutes a unilateral offer, but Diana cannot accept it because he did not know about the offer when performing the act.
- C. John’s advertisement constitutes a bilateral contract that Diana accepted by returning the ring.
- D. John’s advertisement constitutes a unilateral offer, and Diana is entitled to the reward regardless of whether he knew about it when returning the ring.

(1 mark)

9. Eric, a gallery owner, places a notice stating: “£5,000 reward for information leading to the safe return of the stolen painting *Sunset Over Dover*.” Fish provides information that leads to the painting being found, but not yet safely returned to the gallery. Fish claims the reward. Which one of the following statements most accurately applies?

- A. The advertisement is only an invitation to treat, so Fish has no right to the reward.
- B. The advertisement is a bilateral offer, and Fish accepted by supplying information.
- C. The advertisement is a **unilateral offer**, but Fish can only claim the reward once the condition (“safe return”) has been fully satisfied.
- D. The advertisement is a **unilateral offer**, and Fish is entitled to part of the reward for providing helpful information.

(1 mark)

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**10. Which one of the following correctly identifies the normal sequence of events in the formation of a valid contract?**

- A. Offer, acceptance, agreement, consideration.
- B. Agreement, consideration, offer, acceptance.
- C. Offer, consideration, acceptance, agreement.
- D. Offer, acceptance, consideration, agreement.

(1 mark)

**11. In the scenario where A owes B £5,000 and B agrees to accept £3,000 in full settlement, which one of the following statements most accurately reflects the legal position under the rule in *Pinnel's Case (1602)* as reaffirmed in *Foakes v Beer (1884)*?**

- A. A's payment of £3,000 immediately discharges the entire £5,000 debt, since B agreed to accept it as full satisfaction.
- B. B is legally bound to accept the £3,000 as full payment because the agreement was supported by consideration.
- C. B can still claim the remaining £2,000 because payment of a lesser sum does not satisfy a larger debt unless fresh consideration is provided.
- D. A's part payment prevents B from claiming the balance, since part performance always extinguishes a contractual obligation.

(1 mark)

**12. In contract law, the doctrine of privity of contract primarily dictates that:**

- A. Contracts must be in writing to be enforceable.
- B. Only parties directly involved in a contract have rights and obligations under it.
- C. Third parties always have the right to enforce any contract.
- D. All contractual obligations must be fulfilled by the courts.

(1 mark)

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**13. Mr. White and Mr. Brown, the fathers of a young couple about to be married, agree in writing that each will pay £500 to the groom, Mr. Brown Jr., after the wedding. When Mr. White fails to pay, Mr. Brown Jr. sues to enforce the agreement.**

**Which of the following statements best reflects the legal position under the doctrine of privity of contract?**

- A. Mr. Brown Jr. can enforce the agreement because the promise was made for his benefit.
- B. Mr. Brown Jr. cannot enforce the agreement because he was not a party to the contract and provided no consideration.
- C. Mr. Brown Jr. can enforce the agreement because the contract was made between family members.
- D. Mr. Brown Jr. can enforce the agreement under the principle of promissory estoppel.

(1 mark)

**14. During World War II, a landlord (Central London Property Trust Ltd) agreed in writing to reduce the rent of a block of flats leased to the tenant (High Trees House Ltd) from £2,500 to £1,250 per year because most flats were vacant. The tenant paid the reduced rent throughout the war. After the war, when the flats were fully occupied again, the landlord sought to recover the full rent for the wartime period and thereafter. Which of the following statements most accurately reflects the legal principle established in this case?**

- A. The landlord was entitled to recover all unpaid rent, as the agreement to reduce rent lacked consideration and was therefore unenforceable.
- B. The tenant was required to pay full rent for both the wartime and post-war periods, since promissory estoppel does not apply to rent agreements.
- C. The landlord was prevented (estopped) from claiming the full rent for the wartime period because the tenant relied on the promise to pay less, but could claim full rent once circumstances changed.
- D. The tenant was permanently entitled to pay half rent for the entire lease term, as the landlord had waived their rights indefinitely.

(1 mark)

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**15. A and B enter into a written contract in which A agrees to supply 100 custom-made chairs to B for £5,000. A manufacture and delivers all 100 chairs exactly as specified, and B pays the agreed amount on delivery.**

**Which of the following best describes how the contract has been discharged?**

- A. By breach of contract, since the agreement has ended.
- B. By agreement to modify, as both parties changed their obligations.
- C. By performance, because both parties have fully carried out their contractual duties.
- D. By impossibility, since the contract can no longer be performed.

**(1 mark)**

**16. The plaintiffs, mill owners, contracted with the defendants, carriers, to deliver a broken mill shaft to an engineer for repair. Due to the carrier's delay, the mill remained closed for several days, and the plaintiffs sued for lost profits.**

**Which of the following statements best reflects the legal principle established in *Hadley v Baxendale* (1854) 9 Exch 341?**

- A. Damages are recoverable for all losses suffered by the claimant, whether foreseeable or not.
- B. Damages are recoverable only if the loss arises naturally from the breach or was within the contemplation of both parties at the time of contracting.
- C. Damages are recoverable only when the defendant admits liability.
- D. Damages are limited to the contract price, regardless of loss suffered.

**(1 mark)**

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**17. AA concert promoter hired a music hall from the defendant for a series of performances. Before the first concert, the hall accidentally burned down. The defendant was unable to provide the venue, and the promoter sued for breach of contract.**

**What principle did the court establish in *Taylor v Caldwell* (1863) 3 B & S 826?**

- A. AA party is always liable for breach, even if performance becomes impossible.
- B. The contract is frustrated when an unforeseen event makes performance impossible, releasing both parties from further obligations.
- C. AA contract remains binding even if circumstances radically change.
- D. The destruction of the subject matter gives rise to damages for breach.

**(1 mark)**

**18. Which one of the following statements is true?**

- A. If a condition in a contract is breached the injured party may treat the whole contract as discharged.
- B. If a warranty in a contract is breached the injured party may treat the whole contract as discharged.
- C. If a condition in a contract is breached the injured party may claim damages but must continue with the contract otherwise he will be in breach of contract.
- D. If a warranty in a contract is breached the injured party has no remedy.

**(1 mark)**

**19. A term may be implied into a contract by: (a) The courts; (b) Statute; (c) Trade custom; (d) A term can never be implied, it must always be expressed by the parties**

- A. (a) and (b) only
- B. (a) (b) and (c) only
- C. (d)
- D. (b)

**(1 mark)**

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**20. A Ltd sends a brochure to B, which prices a certain type of mountain bike at £250. B replies: 'I am prepared to pay £240 in cash for the mountain bike.' Which one of the following statements is true?**

- A. B's reply constitutes a counter-offer.
- B. B's reply constitutes an acceptance of A's offer.
- C. B's reply constitutes an offer.
- D. B's reply constitutes a request for information.

**(1 mark)**

**END OF QUESTIONS**

PAST EXAMINATION