

DEGREE OF
BARRISTER-AT-LAW
THE HONORABLE SOCIETY OF KING'S INNS

ENTRANCE EXAMINATION

CONTRACT LAW

2024

DATE: 12 August **2024**

TIME: 3 hours

EXAMINER Professor Raymond Friel University of Limerick

EXTERNAL EXAMINER | The Hon Mr Justice Conor Dignam

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

Q1 | COMPULSORY QUESTION

50 MARKS

Lauren is opening a small new bookstore called Reading Leaves located in the centre of town. She places an ad in the local newspaper: "Opening Offer! Signed First Editions of Famous Novels - €100 each. Limited Availability. Starts at 9am. First Come First Served."

Lucy is first in the shop that morning and selects one of the books, but when she tries to pay for it her debit card is not working. She asks Lauren to set the book aside until lunchtime when she will return with the cash. As a sign of her commitment, Lucy says that Lauren can hold on to a necklace of hers until she returns and if she does not come back for the book, Lauren can keep the necklace.

After Lucy left, Colm called into the shop and on seeing the book that Lauren was keeping for Lucy, he asks Lauren if she will sell it to him for €500 saying that it is worth at least that much. Lauren says that it is reserved but that Colm can have it for the €500 if Lucy does not return. Colm gives his email and mailing address to Lauren.

A short while later, Lauren decides she wants to sell the book to Colm for €500 regardless of her arrangement with Lucy and so emails him that she is sending him the book for the agreed €500. Lauren texts Lucy that she is no longer willing to sell the book to her but Lucy had lost her phone earlier so never got the text. When Lucy returns at 3pm she is horrified that Lauren has sold the book to someone else. Lauren says that Lucy did not return in time as it was now well after lunch. Lauren also feels that she can keep the necklace as Lucy has broken her promise. Lucy left enraged saying that she would speak to her lawyer.

Later that day, Lauren receives an email from Colm that he no longer wants the book even though she has already posted it to him. Lauren emails back to say that it is too late and the Colm has entered into an enforceable contract for the book and insists that he sends her the €500 immediately as the book has been despatched.

Advise Lauren as to her position under the law of contract based on these facts.

CONTRACT LAW

Q2 |

25 MARKS

Eddie is a professional videographer. He is friends with Susan who is soon to be married. Susan shares that she is having difficulty getting a videographer for her wedding, saying that the prices they are charging are outrageous but the real issue is that there are no videographers available on her wedding day. Eddie offers to take the wedding video for Susan, saying he would clear his diary for that day given their friendship.

On the morning of the wedding, Susan writes a note to Eddie thanking him for doing the video for free. In appreciation, she gave Eddie full rights to use the video, or any part, to promote his business. Eddie is shocked. He had assumed he was to be paid the usual rate of €10,000 for his work. However, he decides to go ahead in any event so as not to spoil the wedding and that he would sort it out later.

During the wedding, Susan and the wedding party have a spectacular fall into the swimming pool. Eddie posts the video of this event, which goes viral and earns about €20,000 in royalties.

Advise Susan under the law of contract whether she owes Eddie the €10,000 fee to take the video and whether or not her note transferring the rights to her wedding video to Eddie is enforceable.

CONTRACT LAW

Q3 |

25 MARKS

Sarah owns a successful cake shop, So-Sara-Lee. A lot of her success comes from using a product obtained from her supplier, Bake4Profit. In recent times this company, Bake4Profit, have indicated to Sarah that they will no longer provide their product to Sarah unless she leases a whole new suite of equipment with their brand prominently displayed. However, she cannot afford the cost of the lease.

Following numerous letters and callers, it reaches a peak when one of Bake4Profit representatives visits Sarah's shop and threatens to immediately cease deliveries and call in any outstanding amounts due. He gives her 2 hours to decide.

About an hour later, Sarah's regular salesperson from Bake4Profit, Jim, arrives. Seeing she is in obvious distress, he calms her down. He says that if she transfers 49% of her business to Bake4Profit they would give her the equipment for free. She has trusted Jim since she set up the business 3 years ago. He tells her she should get legal advice but she says she trusts him. She signs the agreement (which Jim just happens to have) there and then.

Advise Sarah as to whether this contract can be set aside due to the actions of Bake4Profit and/or Jim.

[25 marks]

CONTRACT LAW

Q4 |

25 MARKS

Marie is very friendly with her next door neighbour, Sean. Sean's family are now all grown up and they have moved away. Sean tells Marie that he is downsizing and if she wants to buy anything in the house before he moves out she is welcome to do so.

In particular, he offers her the desk next to his chair that Sean says he believes to be a rare one-off Victorian desk that must be worth a couple of thousand euros at least but she can have it for €1000. Marie says she will buy the desk just to help Sean out. However, she says what she would really like is the painting hanging in the next room. Sean says he never liked the painting and would sell it for €100 just to be rid of it. Marie says she will give him €100 as she just likes the painting.

It is subsequently discovered that the desk is a chain store reproduction worth about €30 whereas the painting is, unknown to either, a Van Gogh worth €10 million.

Advise Marie as to her legal position in contract law based on these facts.

CONTRACT LAW

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 or legislation.

- (a) *Tweddle v Atkinson* (1861) 1 B&S 393 in Irish Law
- (b) Contracts with third parties to fund litigation
- (c) Good faith in the performance of contractual obligations