## <sup>i</sup> Information

In the spring semester 2022, the exam will be a 24 hour home exam, maximum 3000 words on master's level.

Footnotes should be included in the word count of the main text. Not included in this count: front page (title etc.), summary, table of contents and references (bibliography). (If relevant for the paper).

Assignments/papers with text exceeding the word limit will not be accepted.

## <sup>1</sup> JUS5260 Exam S22

Answer all of the following six questions. Expressed as percentages of the final grade, the answers to questions 2 to 5 will each count approximately 20% of the final grade, while the answers to questions 1, 6 and 7 will each count approximately 6%.

1. Adam loses his mobile phone and thinks he probably lost it at the supermarket in his neighbourhood. He places a paper notice on a billboard at the supermarket entrance which reads: "Mobile phone lost. Samsung Galaxy S22 (grey with long scratch on back). Reward of £50 for its return". The notice also has Adam's contact details. Miriam finds the phone shortly after Adam loses it. A day later, she reads the notice and returns the phone to Adam, who then gives her £10 for her effort. Miriam protests that this amount is insufficient. Adam, irritated, tells her that she is not legally entitled to any money for returning the phone to him.

Is Adam's last claim correct? Give reasons for your answer.

2. Harald agrees to rent out his apartment in Manchester to Erik, who is from South Africa and on a four year contract to work for a UK company. The rental agreement is to run for four years starting on 1<sup>st</sup> March 2021, and it stipulates a monthly rent of £1500. In December 2021, Erik loses his job due to the economic downturn induced by the Covid-19 pandemic. Harald agrees to reduce the rental amount by 30% until Erik's financial situation improves. In February 2022, Erik wins a large amount of money from the UK national lottery scheme but does not inform Harald of this windfall. In May 2022, Harald finds out about Erik's win. He demands that Erik pay full rent for the remainder of the rental period and repay the outstanding arrears.

What is Erik's legal position and what legal remedies, if any, does he have? Give reasons for your advice.

3. Solveig, who lives and works in Birmingham, wants to sell her Ducati motorcycle. Early on a Friday afternoon, she posts an advertisement for the motorcycle on a noticeboard at her workplace. The noticeboard is for workplace employees to post notices for the exchange and sale of used consumer goods. The advertisement states: "Ducati for sale. Excellent condition. One owner only. £10,000 or nearest offer will be accepted. Telephone (+44) 98692362." Shortly after posting the advertisement, she leaves for Oslo to visit her elderly parents over the weekend and does not return to England until the Monday evening. At 5:30 p.m. on the Friday evening, Brian who is working late sees the advertisement and rings Solveig to make an offer of £8,000 for the motorcycle. Solveig, who is then about to board an airplane for Oslo, answers: "Thanks, your offer is very tempting". Brian then says to her: "Unless you ring me back by 5pm tomorrow, let's assume you've accepted my deal". Solveig answers: "Fair enough".

At 10a.m. the next day, Frank, who has had to go to his office to print out some personal documents, sees the advertisement for the motorcycle and rings Solveig. However, she is busy cleaning up her parents' garden and does not answer the call. Frank then sends her a text message as follows: "Saw your offer of the Ducati. Will buy. What's lowest price you'll accept?".

Solveig does not respond to either Brian or Frank for the rest of the weekend as she is preoccupied helping her parents with urgent practical matters. When she returns to her house in Birmingham on the Monday, she finds that the man with whom she shares her house—Patrick—has polished the Ducati and repaired some scratches in its paintwork. Solveig is pleased with the sight of the shiny Ducati and regrets that she had intended to sell it. She tells Patrick that she'll pay

him £50 for his polishing and repair efforts. The next day, Brian and Frank each ring Solveig under the assumption that they have a legal right to the Ducati. She tells them she is not selling the motorcycle, and they respond angrily. Shortly thereafter Solveig and Patrick have a quarrel and Solveig tells him: "you can forget about the £50 I promised you".

What are the respective legal positions of Brian, Frank and Patrick under English law of contract? Give reasons for your answer.

4. Howard Drake is the Director of Construction Dynamics (CD), a company in the business of sourcing and supplying special types of hardwood timber. He enters into negotiations with Build Big (BB) with a view to CD selling BB a large amount of timber. BB sends Howard a letter in the following terms: "We enclose our detailed order and require your written confirmation of acceptance of the order". The attached detailed order specifies the type, amount and price of the timber, how payment is to be made, and how shipment is to be made. Howard replies in a letter as follows: "As you have made the order direct to me as opposed to my company, I am unable to confirm on my usual printed form which would have standard force majeure and war clauses, but I assume that we agree that the usual conditions of acceptance apply. I am pleased to inform you that my suppliers state they will be able to ship at least 15% of the timber by the end of the month and might even be able to ship more than this, and they will update me on their capacity within a few days. I look forward to this as the first of numerous transactions together to our mutual advantage. Yours sincerely, Howard Drake." CD subsequently fails to supply the timber and BB sues CD for breach of contract. Howard argues that a contract never came into existence because the agreement was too vague and uncertain.

Is Howard's argument valid under English law of contract? Give reasons for your answer.

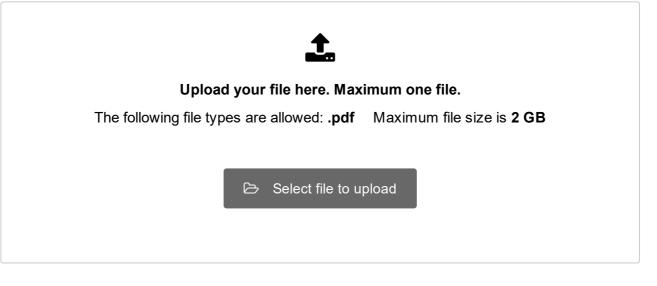
5. James owns and runs a large shoe store, which needs renovation. In January 2022, he enters into a contract with Glamour Builders (GB) to renovate the store, with 25 March 2022 as the stipulated date by which the renovation work must be complete. The contract contains a clause stating that GB must pay James £12,000 for every week the work is not completed after the stipulated date. Due to a skilled labour shortage, GB is four weeks late in finishing the work. Before the renovation work began, James was making a profit of £6,000 per week. During the renovation process, the profits dropped to £3,000. James claims that he is entitled to £40,000 from GB arguing that this follows from the clause in the contract and that GB had agreed to this clause when it entered the contract.

Is James' claim valid under English law of contract? Give reasons for your answer.

6. Jenny sees photos posted on Instagram of a colourful street parade that occurs on 1 June each year in a picturesque village in Yorkshire. She thinks that it'd be cool to watch the parade live so she decides to hire a room with large windows overlooking the street where the parade usually takes place, the hire being for just one day: 1 June 2022. She enters into a hire agreement for the room on 15 May 2022 and pays a £100 deposit. Unbeknown to both Jenny and the landlord, the parade was cancelled on 12 May 2022 for security reasons. Jenny claims that the hire agreement is frustrated and that she is entitled to get back the deposit money.

Is Jenny's claim valid under English law of contract? Give reasons for your answer.

7. In *Avon Insurance plc v Swire Fraser Ltd*, Mr Justice Rix stated that "a misrepresentation should not be too easily found". Why did he make this statement?



Maximum marks: 0