INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

FACULTY OF LAW

END OF SEMESTER EXAMINATIONS - DECEMBER 2025

PROGRAMME: LLB
YEAR/SEM: YEAR 1/SEMESTER 1
COURSE CODE: LLB 1107
NAME: LAW OF CONTRACTS I

DATE:
TIME:

INSTRUCTIONS TO CANDIDATES:

SECTION A

This Question is COMPULSORY.

Question 1:

Kwezi, a small-scale entrepreneur in Kampala, visited Luxe Tech Electronics Ltd after seeing a high-end laptop displayed in the company's showroom window with a tag reading "UGX 3,800,000 – New Model." Excited by the offer, she entered the shop and asked the sales attendant, Musa, whether the laptop was still available at that price. Musa informed her that the laptop was part of a promotional sale but advised her to act quickly because the promotion would end that same day at 5:00 pm.

Feeling pressured but wanting to be sure, Kwezi told Musa she needed time to think about it. Musa then gave her a written document titled "Special Promotional Offer Valid Until 5:00 pm Today Only." It stated the promotional price but did not require her signature. Kwezi went home to "consider her finances." She returned the next day at 10:00 am, stating that she wished to accept the offer. However, Musa informed her that the promotional offer had expired, and the new price was UGX 4,800,000. Kwezi insisted that yesterday's price still applied.

Later that week, after negotiating, she purchased the laptop at the higher price of UGX 4,800,000. Before completing the transaction, she was required to sign a standard-form sales agreement that contained an exclusion clause stating:

"The buyer acknowledges that the seller shall not be liable for any defects, disturbances, or third-party claims affecting the buyer's use or possession of the goods."

Kwezi briefly skimmed the document but signed it without reading the clause in detail because she was in a hurry.

Two months later, police officers arrived at her workplace, seized the laptop, and informed her that it was stolen property, originally taken from a government agency. They stated that the agency had traced the device using its tracking software and had reported it stolen months earlier. Kwezi, embarrassed and unable to conduct her business without the laptop, immediately confronted Luxe Tech Electronics Ltd.

Musa, relying on the signed exclusion clause, denied liability and claimed the store had no responsibility for any issues arising after the sale. He further argued that Kwezi had a duty to read and understand the terms of the contract before signing.

Citing relevant applicable laws identify the legal issues raised by the facts above and advise the parties accordingly.

Question 2:

Moses, the owner of Techno Hub Electronics, operates a retail shop in Kampala that sells high-end laptops and smartphones. One day, Sarah, a university student, passed by the shop and noticed a MacBook Pro displayed in the shop window with a price tag reading UGX 3,200,000/=. Intrigued, she entered the shop to purchase the laptop, she picked the laptop and proceeded to the cash desk but to her surprise she was informed that the laptop was

valued at UGX 3,500,000/=. Sarah thinks to herself this is unfair, but she agreed to buy the laptop.

Sarah paid the UGX 3,500,000/= and Peter the salesperson then handed Sarah the laptop and later a receipt containing an exclusion clause printed at the back in very small font stating: *“The seller shall not be liable for any defects in the goods after purchase, whether express or implied, including title.”*

Two days later, Sarah sells the laptop to her friend Brian. Later that week, the police seize the laptop from Brian after discovering it had been reported stolen three months earlier. The original owner had tracked it via serial number. Brian demands a refund from Sarah, and Sarah immediately returns to Techno Hub demanding compensation, alleging breach of the condition of contract because Moses sold goods he did not legally own.

Meanwhile, Moses insists that the exclusion clause shields him from liability. He also argues that the contract was validly formed when Sarah agreed to purchase the laptop.

Citing relevant applicable laws identify the legal issues raised by the facts above and advise the parties accordingly.

SECTION B

Choose ONE from TWO.

Question 1:

Write short notes on the following cases: -

(a) Void contract.

(b) Voidable contract.

(c) Executed Contracts.

(d) Unilateral Contracts.

(e) Bilateral Contracts.

Question 2:

Write short notes on the following cases: -

(a) Carlill v. Carbolic Smoke Ball Co. [1893] 1 QB 256.

(b) Fisher v Bell [1961] 1 QB 394.

(c) Central London Property Trust Ltd v High Trees House Ltd [1947] KB 130.

(d) Adams v Lindsell (1818) 1 B & Ald 681.

(e) Currie v Misa (1874) LR 10 Ex 153.

Question 3:

Write short notes on the following cases: -

(a) Commercial agreements.

(b) Social agreements.

(c) Domestic agreements.

Question 4:

Write short notes on the following cases: -

(a) Past consideration.

(b) Executed consideration.

(c) Executory consideration.

(d) Difference between conditions and warranties.

SECTION C

Choose TWO from FOUR

Question 1:

Citing relevant applicable laws discuss the doctrine of privity of contract and the exceptions thereunder.

Question 2:

Discuss the implied conditions and warranties implied in a contract.

Question 3:

With the aid of relevant applicable laws, critically examine the legal principles governing the contractual capacity of minors (children).

Question 4:

"An offer cannot last forever; it must come to an end either by the actions of parties or by operation of law". Per Kelvin a First Year Student at Clifford University Law School.

Citing relevant applicable laws discuss the various modes of terminating an offer.

Question 5:

Citing relevant applicable laws, discuss the rules governing acceptance of an offer.