

Course No: LAWN 2313  
Course Title: Law of Contract  
Date: 30/11/2016  
No. of Questions: (2)  
Time: 1 hours  
Using Calculator (No)

University of Palestine  
  
Midterm Exam-2  
2016/2017  
Total Grade:15

Instructor Name: Dr. Anwar El Tawil  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: \_\_\_\_\_  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary (No)

**Question One:** **marks 7**

**Answer Just Three of the following questions:**

a. Domestic and social agreements don't emerge binding contracts, talk about the various types of such agreements:

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b. Although contracts are not binding for minors, Contracts for necessary goods and services regarded as binding contracts. Explain:

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c. Very young children dealt with as mental incapacity persons with regard to contracts. discuss the two cases whether binding or not and why?

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d. Consideration must not be past. Explain:

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**Question Two: 9 marks**

**Read the cases carefully, then answer the following questions:**

1. In **Thomas v Thomas (1842)** the claimant was a widow whose husband had stated that if he died before his wife, she should be allowed to live in his house for the rest of her life, after which it was to pass to his sons. When the man died, the defendant, who was his executor, agreed that the widow could continue to occupy the house in return for a promise that she would pay £1 a year and keep the house in good repair. Despite this, sometime later, the defendant tried to evict the widow, so she sued for breach of contract. **Does the promise binding? What was the defendant claim? What was the decision and argument of the court?**

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2. In **Alliance Bank Ltd v Broom (1864)** Broom had an overdraft of £22,000 with the bank, and they asked him to provide some security. Mr. Broom promised to do so, but never did, and as a result the bank sued him. **What was the argument of Mr. Broom? What was the decision and argument of the court?**

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3. In **Scotson v Pegg (1861)** Scotson contracted with A to supply a cargo of coal to A, or to anyone A nominated. Scotson was instructed by A to deliver the coal to Pegg who was a thirdparty to the original contract between Scotson and A. Pegg promised to unload the coal at a stated rate of pay. He subsequently failed to do the agreed unloading. Scotson sued Pegg, claiming that their promise to deliver the coal to him was consideration for his promise to unload it. Pegg claimed this could not be consideration, since Scotson was already bound to supply the coal under the contract with A. **what was the decision and argument of the court?**

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End of Questions  
*Good Luck*