

THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF HUMANITIES AND SOCIAL SCIENCES
DEPARTMENT OF LEGAL STUDIES
LLB DEGREE PROGRAMME – LEVEL IV
CONTINUOUS ASSIGNMENT TEST II 2023/2024
LAW OF CONTRACT – LLU4607
DURATION – 01 HOUR



Date: 2024.12.13

Time: 01.30 p.m.-02.30 p.m.

Total number of questions – 02

Answer one (1) question only.

Candidates will be penalized for illegible handwriting.

1.

i. Amaya, a local entrepreneur, entered into a contract with BrightBuild Pvt Ltd, a construction company, to renovate her office space. During the negotiations, BrightBuild's manager, Nimal, assured Amaya that the renovations would be completed within two months. This assurance was verbal and not included in the written contract signed later. During the discussions, Nimal also highlighted his 15 years of experience in construction and reassured Amaya that she could trust his promises. The agreement was subsequently put into writing. This written agreement specified that BrightBuild would use high-quality materials and comply with all local regulations. However, it did not mention the timeline for completion. After signing the contract, Amaya discovered that BrightBuild had started using substandard materials in the construction. Additionally, the renovation project stretched to four months, significantly disrupting her business operations.

Amaya now wishes to terminate the contract and claim damages for the delay and use of substandard materials.

Advise Amaya.

(15 Marks)

ii. Explain the importance of *Hong Kong Fir Shipping Co. Ltd Vs. Kawasaki Kisen Kaisha Ltd* (1962) 2QB 26, (1962) 1 All ER 474, in defining terms of a contract.

(05 Marks)

2. Prepare an outline of the scope and application of consideration and *justa causa* in the formation of a legally binding contract. Your answer should also include a discussion of the difference between these concepts.

(20 Marks)

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