

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 –LLU4805
DURATION – 01 HOUR



Date: 2025.01.08

Time: 09.30 a.m.-10.30 a.m.

Total number of questions – 02

Answer ONE (1) question only.

Candidates will be penalized for illegible handwriting.

1. (i). Define the concepts of unilateral mistake and mutual mistake in contract law and highlight the difference between them. (08 Marks)

(ii). Lilani, a property investor, is interested in purchasing a house in Colombo. She contacts the seller, Ranjith, who tells her that the property has been recently renovated and is in excellent condition. Based on this statement, Lilani agrees to purchase the house for a higher price than she initially intended. After moving in, Lilani discovers that the house is in poor condition and that no renovations had been carried out. Lilani finds out that Ranjith had made the claim to increase the sale price and knew that the house was in poor condition.

Advise Lilani on the legal remedies available to her supporting your answer with relevant case law (12 Marks)

2. (i) Define the concepts of duress and undue influence in contract law and highlight the difference between them. (08 Marks)

(ii) Priya is an employee of a beauty parlour located in Colombo, belonging to Samantha. Priya's employment contract includes a clause stating: "You shall not work for any competitors and shall not start a beauty parlour of your own anywhere in Sri Lanka for twelve years after leaving this business". After working for two years at Samantha's parlour, Priya left and opened her own parlour in Kandy.

Samantha seeks your advice on whether the above clause in the contract is legally enforceable. Advise Samantha citing relevant case law to support your answer. (12 Marks)