

THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF HUMANITIES AND SOCIAL SCIENCES
DEPARTMENT OF LEGAL STUDIES
LLB (HONOURS) DEGREE PROGRAMME – LEVEL IV
CONTINUOUS ASSIGNMENT TEST 1 2023/2024
LAW OF CONTRACT – LLU 4607
DURATION – 01 HOURS



Date: 2024.10.18

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

Total number of questions – 02

Answer All questions.

Candidates will be penalized for illegible handwriting.

1. Explain how the meaning of the word 'agreement' as used in contract law has changed due to factors affecting modern contracts. (08 Marks)
2. 'Tomatsu Ltd' is a company selling used cars which are displayed in the showroom with price tags. One day, Gayani visited Tomatsu Ltd to buy a car that was displayed with a price tag of Rs. 3, 000,000. However, Dilshan, the owner of the company, said that the price must have been wrongly marked as the actual price of the car was Rs 8,000,000 and that this was the price at which he was selling the car. After some discussion Dilshan said he would split the price difference and let Gayani have the car for Rs 5,500,000. Gayani asked if she could have it for Rs 5,000,000 instead. Dilshan refused, stating that Rs 5,500,000 was the lowest price at which he would sell the car. Gayani then asked for some time to decide, and Dilshan said she could have three days to do so. Two days later, Gayani discovered that her friend Nishani had bought the same car from Dilshan for Rs 7,000,000.

Explain the contractual implications of the scenario given above using case law to support your answer.

(12 Marks)

Copyrights reserved