

LW2903 Business and Law

Tutorial Questions for Week 3

Formation of a Contract: Consideration & Vitiating Factors: Misrepresentation

continuing
btw two party

what expected to do
one side

ongoing
two side

in the process, not finish

1. Explain the meaning of "consideration must be executed or executory but not past".

completed
air

once completed contract,
any promise

2. Carrie owns five cats which she has decided to sell as she is moving to a small apartment in Mongkok. Maria is very interested in purchasing two cats for her daughter Mary. Maria arranges to inspect the cats. Carrie informs Maria that the cats are all friendly and tame. Carrie also states that the cats are all rare breed, purebred and is worth a lot of money. In fact, Carrie did not inform Maria that the cats, whilst being friendly, is scared of children and react aggressively to children playing with them.

she lie

half-true

Maria decides to purchase two of the cats to give to Mary for her birthday. When

Mary releases the cats from the cage, the cats scratched and attacked the children at the birthday party.

Advise Maria.

Conclusion: A form of representation

The court will assume some scenarios (eg. house have kid) reveal those facts

x innocent
misrepresentation
x negligence
misrepresentation

Sellers

know that what they are saying is untrue in order to

convince sb to buy

promise free from vice

but not! (lie)

contract must exist when / consideration

[contract air completed], not reversible

①. Currie vs Misa

• Roscorla vs Thomas

• Chappel vs Nestle

x reversible once contract is executed

• Dilby vs Olby (Ironmongers) Ltd

↳ Travelling salesman

• With vs O'Hanngan

• saying can reach a certain amount of pounds
↳ but actually cannot and sellers know that with some true prove → misrep

misrep

- Tort of negligence

- Hedley vs Byrne vs Heller and Partners] business called Eastpower

- Esso Petroleum vs Mardon

- Leaf vs International Galleries (innocent misrepresentation)

Q ② Donoghue vs Stevenson (1932)

Q ② ✓ Sue for representation
in order to
→ rescission (rescinds) 撤銷
→ damages or can be money ∴ the false carrie tells
compensate

negligence misrep (X damages) one side
Innocent misrep on the other side

☆ Can say that it has / has no negligence misrep &
Innocent misrepresentation

Depending sufficient prove on your answer or not