

## Law of Obligations II – 15 December 2010

- The duration of the examination is 75 minutes.
- During the course of the examination, candidates may freely consult any materials of their own.
- On each Answer sheet, candidates must write their **student number only**. Please do **not** write your name or major subject of study.
- **All** candidates **must** attempt Question 1.
- Candidates may attempt **only one** topic from the two topics presented in Question 2.

### [1] Question 1

**Amy, Bob and Charlie** are builders who specialize in interior decoration and shop refurbishment. They formed a partnership and they trade under the name of ABC Partners. **Amy** is chosen to be the executive partner. They agree to share equally the profit and loss from their partnership business.

**Amy** won a contract to decorate a shopping complex recently built and is to be operated by **TriPine, Inc.** at a contract price of 1 million USD. ABC Partners expected that upon successful completion of the job, they would enjoy 200,000 USD profit. When about one half of the contracted work (calculated in terms of the costs of work) was completed, **Charlie** fell from a staircase which collapsed and was killed. Since **Charlie** was the person who was doing most of the work, ABC Partners could no longer continue the decoration work.

**Amy** sued **TriPine** alleging a breach of contract. **TriPine** denied liability and also applied the court to strike out the claim arguing that **Amy** has no claims of her own to bring against **TriPine**. Moreover, **TriPine** brought a counterclaim alleging that ABC Partners failed to complete the contracted work. **TriPine** seeks compensation from **Amy, Bob** and survivors of **Charlie** for the loss of earning due to the delay in the opening of the shopping complex.

**Charlie's** survivors filed a separate lawsuit against **TriPine** seeking compensation for **Charlie's** accidental death.

1. Who may bring a claim against **TriPine** *alleging TriPine's* breach of contract?
2. What items of compensation may be sought in a claim alleging **TriPine's** breach?
3. Is **TriPine** in breach of contract for the decoration work of the shopping complex?
4. Is ABC Partners in breach of contract? What items of compensation may be sought in a claim alleging ABC Partners' breach?
5. Can the survivors of **Charlie**, apart from a tort claim against **TriPine**, have a claim against **TriPine** or against **Amy** or **Bob**?
6. Is ABC Partners deemed to be dissolved upon death of **Charlie**?

[Please turn to the next page]

**[2] Question 2**

Please choose and answer only **one** of the following topics:

Compare the contract of mandate and negotiorum gestio

**or**

Discuss lessee's duty to restore the object of lease to its original condition and lessee's right to claim reimbursement for expenses which resulted in improved amenities of the object of lease

[End of questions]