

Law of Obligations I

19 June 2012

- The duration of the examination is 75 minutes.
- During the course of the examination, candidates may freely consult materials in their possession, including Statutes (in Korean or in English), lecture notes, on-line resources.
- On each Answer sheet, candidates must write their **student number only**. Please do **not** write your name or major subject of study.

[1] Question 1

Alice agreed to sell her apartment to Bob at the price of 500 million KRW. The contract deposit (50 million KRW) was paid upon conclusion of the contract on 1 April 2013. The balance of the contract price was to be paid in two installments. The first installment must be paid on 30 April and the full balance must be paid on 1 June 2013, when the title to the apartment will be transferred to Bob. Alice and Bob agreed that the current tenant, Charles, shall remain as the tenant until 31 December 2013.

The first installment was duly paid on 30 April. On 1 June 2013, however, on the way to the estate agent to finalize the deal, Alice was hit by a car and hospitalized. She could not deliver the documents necessary to transfer the title to Bob. She is in a critical condition.

Bob had the fund ready on 1 June. However, since Alice did not show up, Bob did not send the money to Alice. While Alice was in the hospital and the title was still not transferred to Bob, a fire broke out in the apartment on 19 June 2013 because Charles forgot to shut off the LPG gas stove. The apartment is completely destroyed.

Alice's son, David, sent an email to Bob and informed that the sale contract is now no longer valid. David offered to give the full refund to Bob. But Bob declined and sue Alice to seek damage.

Discuss how the dispute should be resolved.

[2] Question 2

Please choose and explain **ONE** topic out of the following two:

- Validity of the parties' agreement not to terminate the contract

OR

- Liability of a person who had acted as an agent, but could not prove that he/she was duly authorised to do so.

[End of questions. You must answer **Question 1** and **Question 2**.]