

**City University of Hong Kong**

**Information on a Course  
offered by School of Law  
with effect from Semester A in 2014/2015**

---

---

**Note:**

**Students who have taken a contract law course at undergraduate level or above at CityU or other institutions in a common law jurisdiction are not allowed to take this course.**

**Part I**

**Course Title:** Law of Contract

**Course Code:** LW6164E

**Course Duration:** One semester

**Credit Units:** 3

**Level:** P6

**Medium of Instruction:** English

**Prerequisites:** Nil

**Precursors:** Nil

**Equivalent Courses:** LW5602 Law of Contract

**Exclusive Courses:** LW6564E Law of Contract

**Part II**

**Course Aims**

This course aims:

- acquire knowledge of the law of contract;
- apply that knowledge in the solution of typical problems;
- critically analyse and evaluate the legal principles and doctrines in the law of contract;
- work through the process of agreement and consider the nature of what is agreed;
- prepare for further study of obligations, whether arising in contract, tort or otherwise; and
- promote the attitude of critical and reflective learning of the law of contract.

## Course Intended Learning Outcomes (CILOs)

*Upon successful completion of this course, students should be able to:*

No.	CILOs	Weighting (if applicable)	Alignment of CILOs with PILOs	
			Stream	PILO No. Contributed to
1.	<b>Identify and explain</b> the principles of contract law and the different components of the law of contract.	55%	CL	1, 2, 3
2.	➤ <b>Apply</b> the principles of contract law to <b>solve legal problems</b> by: reading and interpreting cases interpreting statutes dealing with facts conducting independent legal research solving problems constructing persuasive arguments by using legal authorities appropriately writing and communicating orally.	35%	CL	1,3,4
3.	<b>Analyse and critically evaluate</b> legal principles and doctrines in the law of contract in the light of doctrinal coherence and the policy objectives of the law.	10%	CL	1,2,4

## Teaching and Learning Activities (TLAs)

*(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)*

CILO No.	TLAs	Hours/week (if applicable)
CILO 1	<i>Lectures</i> Students will be introduced to the basic principles of contract through lectures and interactions with the lecturer and amongst themselves by way of discussions, debates and student presentations in the course of the lectures.	2
	<i>Tutorials</i> Students will be given the opportunity to clarify or raise further questions with regard to the basic principles of contract taught in the lectures and apply them to hypothetical situations to provide solutions through formation of legal strategy or negotiation and best alternatives for the parties in question.	1
CILO 2	<i>Lectures</i> Students will read cases to prepare for lectures, interpret statutes and develop persuasive arguments in class discussion.	2
	<i>Tutorials</i> Students will apply legal principles to the solution of problems. This may be done in the form of discussions, debate or presentations	1
CILO 3	<i>Lectures</i> Students will explore relevant issues of law and address the theoretical underpinnings of various topics.	2
	<i>Tutorials</i> Students will critically analyse and evaluate legal principles and doctrines.	1

## Assessment Tasks/Activities

*(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)*

AT No.	Type of Assessment Tasks/Activities	Weighting (if applicable)	CILO Assessed	Remarks (exam duration, etc)
AT 1	Examination (50% of mark)  Students' ability to identify and apply relevant principles and the components of the law of contract will be tested.	50%	1-3	2/3 hours
AT 2	Coursework (30% of the mark)  Students' ability to identify, apply and analyse the relevant principles and components of the law of contract will be tested.	30%	1-3	Written assignment
AT 3	Participation in tutorial sessions (20% of mark)  Students' ability to understand rules and principles will be tested in forms such as presentations, debates and client counselling.	20%	1-3	Weekly lecture of 2 hours

Grading of Student Achievement: Standard (A+, A, A-...F).

To pass this course student must obtain an aggregate mark of 40% and a minimum of 40% in each of the coursework and the examination elements of the assessment. Coursework for this purpose means those ways in which students are assessed otherwise than by the end of session examination.

The portion of the overall mark allocated to performance/participation in inter-active in class activities will be assessed on the quality of the participation. Assessment criteria for those activities, their nature and their timing will be set out in the study guide/course manual and will be further expanded upon by the course leader.

The duration of the examination may last for 2 or 3 hours and it will be at the discretion of the course leader. The course leader will announce the duration of the examination in the first week of the course. Similarly the course leader will announce whether the examination will be closed book or open book.

To enable the full benefit to be obtained from this course, students should attend all of the classes and activities.

Assessment will be formative to enable students to demonstrate their capacity to understand, analyze and apply rules and principles and summative to assess ability to synthesize primary and secondary material to solve novel problem.

Students are required to attend at least 70% of the classes (lectures, seminars, presentation,). If a student does not meet this requirement, he/she may be disqualified for assessment. To enable the full benefit to be obtained from this course, students should attend all of the classes and activities.

### **Part III**

#### **Keyword Syllabus**

Nature of purpose of contract law; sources of contract law; offer; invitation to treat; acceptance; intention to create legal relations; consideration; estoppels; different types of terms such as conditions, warranties and innominate terms; implied terms; exemption clauses; vitiating factors; misrepresentation; mistake; duress; undue influence; discharge of contract: performance, breach and frustration; remedies damages and remoteness of damages.

#### **Detailed Syllabus**

The following topics are studied in detail:

##### Formation

1. Offer and acceptance.
2. Intention to create legal relations and consideration

##### Contents of a contract

3. Contract terms: express and implied
4. Contract terms and breach: conditions, warranties and innominate terms
5. Exclusion clauses

##### Vitiating factors

6. Misrepresentation
7. Duress and undue influence and unconscionability
8. Mistakes

##### Discharge of contract

9. Performance: defective performance, repudiatory and anticipatory breach
10. Frustration

## Remedies

11. Damages: remoteness, mitigation and liquidated damages

12. Specific performance and injunction

13. Revision

## Recommended Reading

### Text(s)

### Essential Reading

J.C. Smith, *Smith & Thomas: A Casebook on Contract*, Sweet & Maxwell, 12<sup>th</sup> ed, 2009.

### Supplementary Reading

The following books and texts will be referred to in certain topics. Students are expected to download latest Hong Kong cases that are mentioned in the lectures.

Students are also advised to keep abreast of articles on contract law principles published in journals. Specific journal articles may be mentioned and referred to. It is expected that student research papers for assignment will include comparative positions (UK, Singapore, Australia i.e common law jurisdictions) reflecting similarities, application or differences with Hong Kong law.

### Texts:

J Poole, *Textbook on Contract Law*, Oxford University Press, 12<sup>th</sup> ed, 2014.

E Peele, *Treitel on the Law of Contract*, Sweet & Maxwell, 13<sup>th</sup> ed., 2011.

S. Hall, *Law of Contract in Hong Kong: Cases and Commentary*, 3<sup>rd</sup> ed, LexisNexis, 2011.

Lee Mason, *Contract Law in Hong Kong*, Sweet & Maxwell, 2011.

Stephen A. Smith and P.S. Atiyah, *An Introduction to the Law of Contract*, Oxford University Press, 6<sup>th</sup> ed, 2006.

M.P. Furmstone, *Cheshire, Fifoot and Furmstone's Law of Contract*, Oxford University Press, 16<sup>th</sup> ed., 2012.

### Ordinances

Sales of Goods Ordinance (Cap 26).

Supply of Services (Implied Terms) Ordinance (Cap 457).

Control of Exemption Clauses Ordinance (Cap 71).

Misrepresentation Ordinance (Cap 284).

Unconscionable Contracts Ordinance (Cap 87).

Law Amendment and Reform (Consolidation) Ordinance (Cap 23).

### **Online Resources**

Bilingual Laws Information System at [www.legislation.gov.hk](http://www.legislation.gov.hk)