

LW2602B: LAW OF CONTRACT II

Effective Term

Semester B 2025/26

Part I Course Overview

Course Title

Law of Contract II

Subject Code

LW - Law

Course Number

2602B

Academic Unit

School of Law (FL)

College/School

School of Law (FL)

Course Duration

One Semester

Credit Units

3

Level

B1, B2, B3, B4 - Bachelor's Degree

Medium of Instruction

English

Medium of Assessment

English

Prerequisites

LW2602A Law of Contract I

Precursors

Nil

Equivalent Courses

LW2102 Law of Contract (LLB) (The semester B part of the old curriculum)

LW2102A Law of Contract (AMLLB) (The semester B part of the old curriculum)

LW2602 Law of Contract (LLB) (The semester B part)

LW5602B Law of Contract I

Exclusive Courses

Nil

Part II Course Details

Abstract

This course aims to:

- provide student a strong foundation in the principles and doctrines of contract law;
- critically analyse the doctrinal and policy tensions which shape contract law;
- introduce various grounds which may vitiate a contract;
- equip students to use contract law to resolve disputes and solve problems; and
- prepare students for further study of obligations, whether arising in contract, tort or otherwise.

Course Intended Learning Outcomes (CILOs)

| | CILOs | Weighting (if app.) | DEC-A1 | DEC-A2 | DEC-A3 |
|---|---|---------------------|--------|--------|--------|
| 1 | Describe and explain the basic principles of contract and the different components of the law of contract. | 35 | x | | |
| 2 | Apply the principles of contract law to solve legal problems by: - reading and interpreting cases - interpreting statutes - dealing with facts - conducting legal research - solving problems - developing persuasive arguments - using legal authorities - writing and communicating orally. | 35 | x | x | |
| 3 | Critically analyse and evaluate legal principles and doctrines in the law of contract in the light of doctrinal coherence and the policy objectives of the law. | 30 | x | x | x |

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

| | LTAs | Brief Description | CILO No. | Hours/week (if applicable) |
|---|-----------|--|----------|----------------------------|
| 1 | Lectures | Students will be introduced to the basic principles of contract law, including through interactions (in the form of discussions, debates or student presentations) with the lecturer and amongst themselves in the course of lectures. | 1 | |
| 2 | Lectures | Students will read cases to prepare for lectures, interpret statutes and develop persuasive arguments in class discussion. | 2 | |
| 3 | Lectures | Students will explore relevant issues of law and address the theoretical underpinnings of various topics, including through interactive modes of teaching during lectures. | 3 | |
| 4 | Tutorials | Students will be given the opportunity to clarify or raise further questions with regard to the basic principles of contract taught in the lectures. | 1 | |
| 5 | Tutorials | Students will apply legal principles to the solution of problems. This may be done in the form of discussions, debate or presentations. | 2 | |
| 6 | Tutorials | Students will critically analyse and evaluate legal principles and doctrines. | 3 | |
| 7 | Tutorials | Develop self-confidence in application of legal principles, advocacy skills and public speaking. | 3 | |
| 8 | Tutorials | Foster students' growth through development of greater intellectual and interpersonal maturity. | 3 | |

Assessment Tasks / Activities (ATs)

| ATs | CILO No. | Weighting (%) | Remarks ("-" for nil entry) | Allow Use of GenAI? |
|-----|--|---------------|--|---------------------|
| 1 | Participation and performance in tutorial sessions | 1, 2, 3 | <p>50</p> <p>Students' ability to describe and explain the basic principles and the basic components of the law of contract will be tested in forms such as written or oral submissions, debates and client counselling.</p> <p>Students' ability to conduct legal research, collect data, decipher primary and secondary materials, and apply rules and principles will be tested in forms such as written or oral submissions, debates and client counselling.</p> <p>Students' ability to critically analyse and evaluate rules and principles will be tested in forms such as written or oral submissions, debates and client counselling.</p> | No |

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

2

Minimum Continuous Assessment Passing Requirement (%)

30

Minimum Examination Passing Requirement (%)

30

Additional Information for ATs

Remark for Examination:

Students' ability to describe and explain the basic principles and the basic components of the law of contract will be tested.

Students' ability to apply legal rules and principles to particular sets of hypothetical circumstances will be tested.

Students' ability to apply legal rules and principles to particular sets of hypothetical circumstances in order to critically analyse evaluate legal principles and doctrines will be tested.

The use of Generative AI tools is not allowed.

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

Grading is based on student performance in assessment tasks / activities.

To pass this course, student must obtain an aggregate mark of 40% and a minimum of 30% in each of the continuous and the examination elements of the assessment. Continuous assessment for this purpose means those ways in which students are assessed otherwise than by the end of session examination.

Assessment will be (i) formative to enable students to demonstrate their capacity to understand, analyse and apply rules and principles, and (ii) summative to assess their ability to synthesise primary and secondary material to solve novel problems.

The participation in interactive activities during tutorials will be assessed on the basis of the quality of participation.

Further details, if necessary, will be provided by the course leader or the tutor.

The duration of the examination will be 2 hours. The examination will be an open book.

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

Assessment Rubrics (AR)

Assessment Task

1. Participation and performance in tutorial sessions

Generally speaking, tutorial participation is a prerequisite for receiving a grade, but does not by itself generate a grade.

Criterion

Ability to identify issues, demonstrate an understanding of the relevant legal principles, apply principles to real or hypothetical scenarios, and articulate one' s views orallyConfidence building and students' maturity

Excellent (A+, A, A-)

Excellent identification of issues, evidence of understanding legal principles, application of principles to hypothetical scenarios, and articulation of one' s views in a coherent and persuasive manner

Good (B+, B, B-)

Good identification of issues, evidence of understanding legal principles, application of principles to hypothetical scenarios, and articulation of one' s views in somewhat coherent and persuasive manner

Fair (C+, C, C-)

Adequate identification of issues, evidence of understanding legal principles, application of principles to hypothetical scenarios, and articulation of one' s views

Marginal (D)

Barely adequate identification of issues, evidence of understanding legal principles, application of principles to hypothetical scenarios, and articulation of one' s views

Failure (F)

Poor identification of issues, evidence of understanding legal principles, application of principles to hypothetical scenarios, and articulation of one' s views

Assessment Task

Examination

Criterion

Ability to analyse facts, identify relevant issues, apply legal principles, and communicate one's reasoned views in writing

Excellent (A+, A, A-)

Excellent analysis of facts, identification of issues, application of legal principles, and communication of one's reasoned views

Good (B+, B, B-)

Good analysis of facts, identification of issues, application of legal principles, and communication of one's views

Fair (C+, C, C-)

Adequate analysis of facts, identification of issues, application of legal principles, and communication of one's views

Marginal (D)

Barely adequate analysis of facts, identification of issues, application of legal principles, and communication of one's views

Failure (F)

Poor analysis of facts, identification of issues, application of legal principles, and communication of one's views

Part III Other Information

Keyword Syllabus

Mistake; misrepresentation; duress (including economic duress); undue influence; unconscionability; privity.

Detailed Syllabus

The following topics are studied in detail:

- a. Mistakes: meaning; mistake at common law and equity; types of mistakes; common mistake; mutual mistake; unilateral mistake; equitable reliefs
- b. Misrepresentation: meaning; how to rescind a contract; limitations on the right to rescission; right to indemnity; statement as a 'warranty'; misrepresentation in a collateral contract; damages for negligent misrepresentation; implications of the Misrepresentation Ordinance
- c. Privity: meaning and historical evolution; justifications for the doctrine; protecting interests of third parties; exemption clauses and third parties; ways to bypass the privity doctrine; statutory exception of the privity doctrine, i.e., Contracts (Rights of Third Parties) Ordinance 2014
- d. Frustration: meaning and scope, relationship with force majeure, legal test and effects, the Law Reform (Frustrated Contracts) Ordinance
- e. Duress: meaning; differences with undue influence; effect on the contract entered
- f. Undue influence: concept; differences with duress; remedy for the innocent party
- g. Unconscionability: meaning; differences with duress and undue influence; position at common law and under the Unconscionable Contracts Ordinance
- h. Where appropriate, the course may also cover: illegality, illegal contracts, and protecting the public interests, the capacity to contract; linking the above topics with topics taught in Contract I course at the City University; comparing contract law principles in Hong Kong, mainland China and the UN Convention on Contracts for the International Sale of Goods (CISG).

Reading List

Compulsory Readings

| Title | |
|-------|---|
| 1 | McKendrick, Contract Law, 16th ed (Hart Publishing. 2025) |
| 2 | E McKendrick, Contract Law: Text, Cases, and Materials, 11th ed (Oxford University Press. 2024) |

Additional Readings

| Title | |
|-------|--|
| 1 | Edwin Peel, Treitel, The Law of Contract, 15th ed (London: Sweet & Maxwell. 2020) |
| 2 | Hall, Stephen, Foundations of Contract Law in Hong Kong, 8th Ed (LexisNexis 2023) |
| 3 | See, TT Arvind, Contract Law. Oxford University Press. Third Edition. 2022 |
| 4 | R Brownsword, Smith & Thomas: A Casebook on Contract, Sweet & Maxwell, 14th edn., 2021. |
| 5 | Robert Merkin QC and Séverine Saintier, Poole' s Textbook on Contract Law, Oxford University Press, 15th edn., 2021. |
| 6 | M P Furmston, Cheshire, Fifoot and Furmston' s Law of Contract, 17th edn., OUP, 2017. |
| 7 | J Beatson, A Burrows and J Cartwright, Anson' s Law of Contract, OUP, 31st edn., 2020. |
| 8 | M J Fisher and D G Greenwood, Contract Law in Hong Kong, 3rd edn, HKU Press, 2018 |
| 9 | Hong Kong Ordinance: Sales of Goods Ordinance (Cap 26) |
| 10 | Hong Kong Ordinance: Supply of Services (Implied Terms) Ordinance (Cap 457) |
| 11 | Hong Kong Ordinance: Contracts (Rights of Third Parties) Ordinance (Cap 623) |
| 12 | Hong Kong Ordinance: Misrepresentation Ordinance (Cap 284) |
| 13 | Hong Kong Ordinance: Unconscionable Contracts Ordinance (Cap 458) |
| 14 | Hong Kong Ordinance: Law Amendment and Reform (Consolidation) Ordinance (Cap 23) |
| 15 | Other Legal Instrument: Civil Code of the People's Republic of China 2020 |
| 16 | Other Legal Instrument: United Nations Convention on Contracts for the International Sale of Goods 1980 |
| 17 | Online Resource: Bilingual Laws Information System at www.legislation.gov.hk . |