

Sample Classroom Exercise: GCE Law (H524)

Law of Contract Special Study (G146)

Exercise 1 – Identifying the key points in cases for question 1

Read Source 6, Source 9 and Source 10 on *Williams v Roffey Brothers and Nicholls (Contractors) Ltd* and the case or other text materials on the case and identify the critical points from the judgment of the case. Use the completed list as a revision aid.

Suggested list of critical points that can be found in the case:

- The basic principle in *Stilk v Myrick* is that merely completing an existing contractual obligation is insufficient to be consideration for a fresh agreement;
- The Court of Appeal in distinguished *Williams v Roffey* from *Stilk v Myrick*;
- It did so because unlike in *Stilk v Myrick* Roffey was actually receiving an 'extra benefit' from Williams under the second agreement;
- This extra benefit was in avoiding the inconvenience and expense of having to pay penalties for late completion – so it is said to have commercial value;
- The court identified that the modern approach to consideration is where a party derives a benefit from a contractual variation even though one party does not suffer a detriment there can still be consideration for the fresh agreement;
- But there appears to be potential inconsistency with the existing principle;
- The illusory character of 'extra benefit' has caused extra confusion in an already difficult area;
- The judges in the case were eager to ensure that promises made in a commercial context should not be broken, aimed at promoting justice.

Exercise 2 – Identifying critical comment in Sources in the Special Study Materials booklet for AO2 in question 2

Read Source 2 and identify critical points as a series of bullet points citing the lines in which the critical comment can be found. Use the completed list as a revision aid.

Suggested list of critical comment that can be found in source 2:

- 'the courts will not inquire into the adequacy of consideration' (lines 1 to 2);
- 'they will not seek to measure the comparative value of the defendant's promise and the of the act or promise given by the plaintiff in exchange for it' (lines 2 to 4);
- 'nor will they denounce an agreement merely because it seems unfair' (line 4);
- 'the courts will not balance one side against the other' (line 9);
- 'The parties are presumed to be capable of appreciating their own interests and of reaching their own equilibrium' (lines 9 to 11);
- 'it was unrealistic to hold that the wrappers were not part of the consideration' (line 23).