

**City University of Hong Kong  
Course Syllabus**

**offered by School of Law  
with effect from Semester A 2019/20**

---

---

**Part I Course Overview**

**Course Title:** Law of Contract

---

**Course Code:** LW5602

---

**Course Duration:** One Semester

---

**Credit Units:** 3

---

**Level:** P5

---

**Medium of Instruction:** English

---

**Medium of Assessment:** English

---

**Prerequisites:**  
(Course Code and Title) Nil

---

**Precursors:**  
(Course Code and Title) Nil

---

**Equivalent Courses:**  
(Course Code and Title) LW6164E Law of Contract  
LW2602 Law of Contract (LLB)  
LW2602A Law of Contract I and LW2602B Law of Contract II (LLB)  
(must have completed both components)

---

**Exclusive Courses:**  
(Course Code and Title) LW6564E Law of Contract

---

## Part II Course Details

### 1. Abstract

This course aims to enable students to:

- acquire a strong foundation in the principles and doctrines of contract law;
- apply contract law principles and doctrines to solve problems and resolve disputes;
- critically evaluate contract law principles and doctrines;
- discover relationship between different contract law components: formation, content, vitiating factors, discharge and remedies for breach;
- assess how contractual obligations affect our daily lives; and
- develop an attitude of critical and reflective learning.

### 2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	DEC related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	➤ <b>Identify and explain</b> principles of contract law as well as the relationship between different contract law components.	40%	✓	✓	
2.	➤ <b>Apply</b> contract law principles to <b>solve problems</b> by: ✧ reading and interpreting cases ✧ interpreting statutes ✧ analysing facts ✧ conducting independent legal research ✧ developing persuasive arguments by using legal authorities appropriately ✧ writing and communicating orally.	35%	✓	✓	✓
3.	➤ <b>Analyse critically and evaluate</b> legal principles and doctrines in the law of contract in the light of doctrinal coherence and the policy objectives of the law.	25%	✓	✓	✓
		100%			

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 self-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.*

Alignment of CILOs with PILOs:

Programme Intended Learning Outcomes (PILOs)		CILOs
1	Explain and assess specified areas of the law and the legal system of Hong Kong, with particular emphasis on the law in action and the dynamic interplay between law and other social phenomena.	1
2	Assess the common law system and its values, and its interaction with the law and legal system of mainland China, the East Asian region and the wider world.	2
3	Explain, interpret and apply main principles of ethics, civil duty, and social and professional responsibility.	2, 3
4	Critically assess the strengths and weaknesses of law as a means of regulating society in the context of competing and conflicting interests.	3
5	Demonstrate and apply skills of legal analysis and reasoning, of legal research, or problem solving, and of oral and written communication to a level appropriate to a graduate-entry degree in law.	2

**3. Teaching and Learning Activities (TLAs)**

*(TLAs designed to facilitate students' achievement of the CILOs.)*

TLA	Brief Description	CILO No.			Hours/week (if applicable)
		1	2	3	
<i>Lectures</i>	Students will be introduced to principles and doctrines of contract law through lectures and interactive discussion using hypothetical scenarios and real life situations.	✓			3 hours each for five weeks and 2 hours each for eight weeks
	Students will read cases to prepare for lectures, interpret statutes and develop persuasive arguments in class discussion.		✓		
	Students will explore relevant issues of law and address the theoretical underpinnings of various topics.			✓	
<i>Tutorials</i>	Students will be given the opportunity to clarify or raise further questions regarding principles and doctrines of contract law taught in lectures.	✓			2 hours each for four weeks
	Students will apply legal principles to solve hypothetical problems and communicate solutions in a coherent and persuasive manner.		✓		
	Students will critically analyse and evaluate legal principles and doctrines.			✓	

#### 4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.			Weighting	Remarks
	1	2	3		
Continuous Assessment: 50%					
<i>Drafting legal advice</i>				30%	
Students' ability to identify legal issues, analyse facts, apply the relevant contract law rules/principles and articulate their advice in a coherent and reasoned manner will be tested.	✓	✓			
<i>Tutorials discussion</i>				20%	
Students' ability to develop persuasive arguments and communicate them orally in a cohesive manner will be tested.		✓			
Students' ability to critically analyse facts, identify legal issues and apply as well as critically evaluate contract law rules/principles will be tested.			✓		
Examination: 50% (duration: 2 hours)					
Students' ability to describe and explain clearly contract law principles and doctrines will be tested.	✓				
Students' ability to analyse facts, identify legal issues and apply legal rules and principles to hypothetical scenarios will be tested.		✓			
Students' ability to critically analyse and evaluate legal principles and doctrines will be tested.			✓		
				100%	

To pass this course student must obtain an aggregate mark of 40% and a minimum of 40% 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.

Further information about continuous assessment tasks, including the submission schedule, will be provided by the course leader.

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

To achieve all ILOs of this course, students are strongly encouraged to attend and participate actively in all lectures and tutorials.

## 5. Assessment Rubrics

*(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)*

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Drafting legal advice	Ability to identify issues, analyse facts, conduct research, apply legal principles, provide a reasoned analysis, and write in a coherent and persuasive manner by using supporting authorities	Excellent identification of issues, analysis of facts, evidence of research, application of legal principles, and articulation of views supported by authorities	Good identification of issues, analysis of facts, evidence of research, application of legal principles, and articulation of views supported by authorities	Fair identification of issues, analysis of facts, evidence of research, application of legal principles, and articulation of views supported by authorities	Barely adequate identification of issues, analysis of facts, evidence of research, application of legal principles, and articulation of views supported by authorities	Poor identification of issues, analysis of facts, evidence of research, application of legal principles, and articulation of views supported by authorities
2. Tutorial discussion	Ability to analyse facts, identify relevant issues, develop persuasive arguments, communicate one's arguments orally in a cohesive manner, and demonstrate an aptitude for critical thinking	Excellent analysis of facts, identification of issues, articulation of one's arguments persuasively and cohesively, and demonstration of an aptitude for critical thinking	Good analysis of facts, identification of issues, articulation of one's arguments persuasively and cohesively, and demonstration of an aptitude for critical thinking	Fair analysis of facts, identification of issues, articulation of one's arguments persuasively and cohesively, and demonstration of an aptitude for critical thinking	Barely adequate analysis of facts, identification of issues, articulation of one's arguments persuasively and cohesively, and demonstration of an aptitude for critical thinking	Poor analysis of facts, identification of issues, articulation of one's arguments persuasively and cohesively, and demonstration of an aptitude for critical thinking
3. Examination	Ability to analyse facts, identify relevant issues, explain and apply legal principles, and communicate one's reasoned views in writing	Excellent analysis of facts, identification of issues, explanation and application of legal principles, and communication of one's reasoned views	Good analysis of facts, identification of issues, explanation and application of legal principles, and communication of one's views	Fair analysis of facts, identification of issues, explanation and application of legal principles, and communication of one's views	Barely adequate analysis of facts, identification of issues, explanation and application of legal principles, and communication of one's views	Poor analysis of facts, identification of issues, explanation and application of legal principles, and communication of one's views

**Part III Other Information** (more details can be provided separately in the teaching plan)

**1. Keyword Syllabus**

*(An indication of the key topics of the course.)*

Nature and purpose of contract law; theories of contract law; offer and invitation to treat; acceptance; intention to create legal relations; consideration; estoppel; different types of terms: conditions, warranties and innominate terms; implied terms; exemption clauses; vitiating factors: misrepresentation, mistake, duress, undue influence and unconscionability; discharge of contract: performance, breach, and frustration; remedies: damages (including remoteness of damages), injunction, and specific performance; privity of contract and the rights of third parties.

**Detailed Syllabus:**

The following topics are studied in detail:

*Contract formation*

Offer and acceptance: introduction to contract; offer and invitation to treat; unilateral and bilateral contracts; modes of communicating acceptance; acceptance by instantaneous means of communication; termination of an offer

Intention to create legal relations: the test to ascertain intention; presumptions in social and commercial contexts

Consideration and estoppel: executed and executory consideration, past consideration, adequacy of consideration, consideration and motive, forbearance as consideration; acts or forbearance in performance of existing duties; promissory and proprietary estoppels

*Contents of a contract*

Express and implied terms: diverse circumstances in which terms are implied

Nature of contract terms: conditions, warranties and innominate terms

Exclusion clauses: meaning; modes of incorporation; interpretative tools to limit exclusion clauses; statutory limits on exclusion clauses

*Vitiating factors*

Misrepresentation: meaning and typology; 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

Mistake: meaning; mistake at common law and equity; types of mistakes: common mistake, mutual mistake, and unilateral mistake

Duress: meaning; differences with undue influence; effect on the contract entered

Undue influence: concept; differences with duress; remedy for the innocent party

Unconscionability: meaning; differences with duress and undue influence; position at common law and under the Unconscionable Contracts Ordinance

### *Discharge of contract*

Performance: conditional contracts; partial performance; defective performance; substituted performance; substantial compliance

Breach: actual, repudiatory and anticipatory breaches; effect; options available to the innocent party

Frustration: concept; grounds of frustration; effect of frustration

### *Remedies*

Damages: principles governing quantification of damages; remoteness; mitigation and liquidated damages

Specific performance and injunction

Privity of contract: meaning and historical evolution; justifications for the doctrine; protecting interests of third parties; exemption clauses and third parties; exceptions to the privity doctrine; effect of the Contracts (Rights of Third Parties) Ordinance 2014

## **2. Reading List**

### **2.1 Compulsory Readings**

*(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)*

#### Essential reading

R Brownsword, *Smith & Thomas: A Casebook on Contract*, Sweet & Maxwell, 13<sup>th</sup> edn., 2015.

### **2.2 Additional Readings**

*(Additional references for students to learn to expand their knowledge about the subject.)*

#### Supplementary reading

Students may find the following textbooks and legislation useful. They are also encouraged to read latest cases and journal articles. Comparative materials from other common law jurisdictions should be valuable in drafting legal advice.

#### Textbooks:

J Beatson, *Anson's Law of Contract*, OUP, 30<sup>th</sup> edn., 2016.

M P Furmston, *Cheshire, Fifoot and Furmston's Law of Contract*, 17<sup>th</sup> edn., OUP, 2017.

S Hall, *Law of Contract in Hong Kong: Cases and Commentary*, 4<sup>th</sup> edn., LexisNexis, 2015.

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

E McKendrick, *Contract Law: Text, Cases, and Materials*, 8<sup>th</sup> edn., OUP, 2018.

E Peel, *Treitel on the Law of Contract*, 14<sup>th</sup> edn., Sweet & Maxwell, 2015.

Robert Merkin and Séverine Saintier, *Poole's Textbook on Contract Law*, OUP, 14<sup>th</sup> edn., 2019.

Ordinances

Sale 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 458).

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

Contracts (Rights of Third Parties) Ordinance (Cap 623).

Online Resources:

Hong Kong e-legislation: <https://www.elegislation.gov.hk/>