

6. A. contracts to purchase property from B., but, on searching title, discovers that the concurrence of C., a third party, is necessary. He purchases C.'s interest and then rescinds his contract with B., on the ground that B. cannot give a good title. How will such a proceeding be regarded in equity, and why?

7. In a case, within the Statute of Frauds, the court is asked to avoid a written agreement on the ground of mistake. The court does so. How far is this course consistent with the spirit and terms of the statute?

8. A., B., and C. enter into a written agreement, by which they bind themselves, under a penalty, that they will not bid against each other at a certain sale of property by auction. B. breaks the contract and bids against both A. and C. These two sue B. for the penalty. May or may they not recover, and why?

9. In what cases, if at all, may a trustee make loans from the trust estate on personal security?

10. How may the remedy of the *cestui que trust* against his trustee for breach of trust be barred?

#### CONTRACTS.

*Examiner: F. J. Joseph.*

1. A. owes \$500 to B., who requires security for the debt. A. is owed \$500 by C. A. gives to B. a written order on C. to pay B. the amount C. owes to A. C., in writing, acknowledges the order. On failure to pay, can B. sue C.?

2. What are the rights of a surety under the provisions of the Mercantile Amendment Act, who has paid a debt as against his principal and co-surety?

3. A. advertises that he will give \$50 to any one who will bring back a horse which he has lost. Is this a binding contract on A. to pay to any one \$50 who returns him his horse?

4. Will a conditional promise to pay take a debt out of the Statute of Limitations?

5. Mention any case in which a person can actually give a better title to the transferee than he himself possessed.

6. What difference is there in the effect of a gift of chattels by word of mouth and by deed?

7. A., by writing, engages B. as a clerk for five years at a salary of \$500 a year, payable annually. Can evidence be given of a parol agreement that the salary should be paid quarterly?

8. A. purchases a horse from B. for \$300; the contract is put in writing. At the time of the contract B. verbally warrants the horse sound. Shortly afterwards A., desiring to sell the horse to C., writes to B. asking him to write a letter warranting the horse sound. B. writes to A.: "I warrant the horse you purchased from me on the 1st May last perfectly sound." The horse turning out to be unsound, can A. sue B. for breach of warranty on the original contract, or on the subsequent writing?

9. A. arrests B. In order to obtain bail, B. gives his note for \$1,000 to C. to become his bail. B. is again arrested by D., and in order to obtain his liberty gives D. a chattel mortgage on his property bearing unconscionable