UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Advanced Level

LAW **9084/32**

Paper 3 Law of Contract **May/June 2013**

1 hour 30 minutes

Additional Materials: Answer Booklet/Paper

0639041364

READ THESE INSTRUCTIONS FIRST

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.
Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer **one** question from **Section A**, **one** from **Section B** and **one other**, thus making a total of **three** responses required.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **3** printed pages and **1** blank page.

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Answer **one** question from **Section A**, **one** from **Section B** and **one other**, thus making a total of **three** responses required.

Section A

1 The performance of an existing duty never amounts to valuable consideration to enable enforcement of a promise.

With reference to case law, evaluate the truth of this statement. [25]

2 The use of exemption clauses needs to be controlled.

Evaluate the common law rules available to judges for this purpose. [25]

3 Specific Performance is a significant remedy within the civil law.

Analyse the nature of the remedy and discuss why its application as a remedy for breach of contract tends to be limited. [25]

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Section B

4 Ranjit is dismissed by Siliconbitz for persistent late arrival at work. He is extremely annoyed and decides to take revenge. He rents premises in the same commercial estate as Computa Kingdom, an established customer of Siliconbitz.

Ranjit produces stationery bearing the name Computa Realm and sends an order to Siliconbitz, asking for 20 000 memory sticks to be supplied to his business address on the usual credit terms. Having received the order, Siliconbitz fails to check the details and delivers the memory sticks to Computa Realm.

Ranjit sells the memory sticks to Pritam, an innocent buyer. Ranjit then vacates his rented premises and disappears before Siliconbitz discovers the mistake.

Discuss any entitlement that Siliconbitz may have to recover the memory sticks. [25]

5 Richard is 17 years of age when he decides to leave home and find a job in London. On his arrival in London, he finds himself a full-time job working in a restaurant and he rents a small room in which to live. Richard does not wish to remain in the job for long and although the room is cheap to rent it is dirty and far from his work.

Richard would like your advice on whether he is bound **(a)** to give four weeks' notice to quit his job, as required by the terms of his employment contract, and **(b)** by the two year lease agreement that he has entered into for his room. [25]

6 Direct Foods UK (DFU) receives a letter from Huiles Naturelles d'Oc (HNO). The letter advertises for sale 100 000 bottles of olive oil at a reduced price and states that stocks at that price are limited. DFU sends an immediate fax in which it orders all the reduced price olive oil. The fax arrives at HNO's office while it is closed for lunch. When the office re-opens the fax is not read, but is put aside to be dealt with later. By the time the fax is read, all the olive oil has been sold to other customers.

Using case law, advise the parties concerned whether a valid contract was formed between DFU and HNO. [25]

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