Cambridge International A Level

Cambridge International Examinations
Cambridge International Advanced Level

LAW **9084/33**

Paper 3 Law of Contract **May/June 2014**

1 hour 30 minutes

Additional Materials: Answer Booklet/Paper

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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, 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 **three** questions, at least **one** of which must be from Section A and **one** from Section B.

Section A

1 The requirement that there should be an intention to create legal relations is unnecessary because English Law has the test of consideration to determine the boundaries of contract.

Critically analyse this view. [25]

2 Contracts entered into by minors may be declared either valid or voidable by the courts.

Explain the types of contract that generally fall into each of these categories. Evaluate the legal rules in terms of fairness to and impact on the minor and any adult party to the contract. [25]

3 There are sufficient remedies to ensure that an appropriate solution is available for every breach of contract.

Using suitable example case law, critically assess this statement. [25]

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Section B

4 Burnage Bantams is a team that plays soccer at a stadium in Manchester. Attendance at matches on Saturdays has been declining because of competition from the clubs of Manchester City and Manchester United that play nearby.

In an attempt to encourage greater support, Burnage Bantams switches its matches to Friday evenings. Over the next few weeks attendance increases and as a result the soccer club asks the police force to provide more officers to maintain law and order in and around the stadium.

At the end of the season, the police force asks the football club to pay for the additional policing provided at Friday evening matches.

Advise Burnage Bantams of its contractual liability to pay for the additional policing. [25]

5 Dodge wishes to set up an environmentally-friendly taxi service between London's business district and Heathrow airport, 20 miles away. He contacts Elecgo, a supplier of electrically-powered taxis and is advised by a senior salesman that a model called the Ampere has a range between battery charges of 50 miles and would therefore be suitable for the 40 mile return journeys required.

Dodge buys an Ampere model at a cost of £80 000 and sets up his taxi business. On a trial journey, the vehicle's battery runs out of charge after just 25 miles and Dodge has to call for roadside assistance to be towed home.

He investigates the matter further only to find out that the Ampere is only suitable for very short journeys and does not have the 40 mile range required. Dodge is forced to abandon his planned business. The car is now worth £40 000 and Dodge has also lost a further £15 000 in business set-up costs.

Advise Dodge as to the potential liability of Elecgo for the losses he has sustained. [25]

6 Frederick is a computer engineer who services hardware and rectifies software problems for his clients. He enters into a service agreement with Gerard & Co. The terms of the annually renewable agreement state that Gerard & Co will pay Frederick a retainer fee of £10 000 and Frederick will repair or provide a temporary computer replacement within 24 hours. Frederick is to invoice Gerard & Co separately each time computers have to be repaired or replaced.

Gerard & Co pays Frederick his first £10 000 annual retainer fee. However, during the first two months of the agreement, Frederick fails on six occasions to repair or replace computers within the stipulated 24 hour period.

Gerard & Co is unhappy with the situation and now wishes to terminate the service agreement and claim back the £10 000 annual retainer fee paid to Frederick.

Advise both parties of their respective contractual rights and liabilities in this situation. [25]

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