Cambridge International AS & A Level

**Cambridge International Examinations**
Cambridge International Advanced Subsidiary and Advanced Level

**LAW** **9084/31**

Paper 3 Law of Contract **May/June 2015**

**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.



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

## Section A

**1** Specific performance is a discretionary remedy in the law of contract.

Explain the nature of specific performance as a remedy and discuss the conditions that limit the exercise of a court's discretion in cases of breach of contract. [25]

**2** The postal rule of acceptance is no longer of any real significance to the formation of valid contracts.

Critically assess the truth of this statement. [25]

**3** Explain why the doctrine of promissory (equitable) estoppel came into existence and assess whether it can be said to prevent parties from enforcing contractual rights. [25]

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## Section B

**4** Jamila visits a specialist shop to buy a cellphone to use for her work. Jamila has poor eyesight and explains to the shop assistant, Kelvin, that she requires a phone with a large screen as she relies on her phone for receiving offers of work by SMS (text) message. Kelvin checks with the shop's manager and shows Jamila a cellphone called a 'Magnum' and says that it is the only one on the market that suits her requirements. Jamila decides to buy one for £200.

Jamila soon discovers that there are problems with the phone she has purchased. The screen is not big enough and over the next two weeks she is unable to read messages that would have led to work worth £5000. She also discovers that there are other cellphones on the market with larger screens which cost approximately the same price as the 'Magnum'.

Jamila returns the phone to the shop and explains the issues to Kelvin but is told that it is the shop's policy not to issue refunds.

Advise Jamila and the shop owner of their respective legal rights and liabilities in this matter. [25]

**5** Carlos is an Olympic swimmer who pays to use the Dolphin Aqua Arena (DAA) for regular training sessions. Whilst attending DAA one day, he accidentally trips over equipment that a cleaner employed by DAA has left unattended by the swimming pool. Carlos suffers a serious dislocation of his shoulder and fractures his wrist. The injuries result in him losing his place in the team for the 2016 Olympic Games and in the loss of personal sponsorship for two years, worth £30 000.

When he complains to DAA, his attention is drawn to the notice prominently displayed next to the ticket office window in the main entrance and on the back of entry tickets purchased by all DAA users:

**Dolphin Aqua Arena hereby excludes responsibility for any loss or injury sustained by users of this centre howsoever caused.**

Advise Carlos whether or not he might successfully claim for the injuries and losses suffered as a consequence of his accident. [25]

**6** Chequered Flag Motors (CFM) has been buying vehicles from Tiger Cars (TC) for many years. The two companies have just signed an agreement granting CFM a sole local agency for TC's vehicles for three years. The agreement states that it is "not entered into as a formal legal agreement and shall not be subject to legal jurisdiction in the courts".

Over the next 12 months, CFM places several orders for and are supplied with vehicles by TC. However, the last order for a particular model, although accepted by TC, still has not been fulfilled six months after the order was placed.

In addition, CFM has discovered that TC has also been supplying vehicles to another motor dealership in the same town.

Advise CFM whether or not they might succeed if legal action was to be brought against TC in respect of the above issues. [25]

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