Cambridge International AS & A Level

Cambridge International Examinations
Cambridge International Advanced Subsidiary and Advanced Level

LAW **9084/32**

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

1 hour 30 minutes

Additional Materials: Answer Booklet/Paper

8681016788

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.

© UCLES 2015

CAMBRIDGE International Examinations

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 The innocent parties to a breach of contract are entitled to such damages as will put them in the position that they would have been in if the contract had not been broken.

With reference to relevant case law, critically analyse the extent to which this statement is accurate. [25]

2 Explain the Rule in Pinnel's Case and critically assess the extent to which hardship caused by its application may have been mitigated by more recent developments in the law. [25]

3 Offers last forever in law.

Examine the relevant rules that relate to the formation of contracts. Consider the extent to which this statement reflects the law today. [25]

© UCLES 2015

Section B

4 Stella is invited to Tilly's house for lunch. As Stella arrives, she sees a black horse in the field adjoining the house.

During their conversation, Tilly tells Stella that she needs to sell her black horse called Beauty. Stella has been looking for a horse to buy. She assumes that Beauty is the horse she saw as she arrived. Stella agrees to buy the horse, a leather riding saddle and other riding equipment.

When Stella returns the next day to collect the horse, she discovers that it is much bigger and older than the one she saw in the field. In addition, when Tilly looks for the saddle, she discovers that her father threw it away some time ago because it had become unusable.

Consider the validity of the separate contracts made for the horse, the saddle and the riding equipment. Advise Stella of the potential remedies available to her. [25]

5 Ranjit decides to travel from England to France for his holidays. He buys a ticket at the port to travel by sea with Cross Channel Ferries (CCF). Without reading it, he places the ticket in his pocket for safety. As Ranjit boards the ferry, he slips on a surface still wet from the previous journey. Ranjit falls and severely injures his back. The laptop he is carrying is damaged beyond repair when he falls.

Ranjit asks CCF for compensation for his injury and loss. CCF refuses to compensate Ranjit, relying on a clause printed on the back of his ticket that excludes liability for breach of the contract of carriage made with its passengers.

Consider CCF's contractual liability for Ranjit's injury and loss. [25]

6 Levi enters into a contract to have a fishing boat constructed by Better Boats (BB) for £250 000.

The written terms of the contract make it a condition that the boat is completed by 1 June. The terms also state that BB will pay Levi £2000 in compensation for every day's delay in delivery of the boat after that date. The contract is signed by both parties.

The boat is eventually delivered to Levi on 11 June. Levi refuses to pay the £250 000 purchase price without deducting £20 000 compensation which he considers to be due under the terms of the contract.

Advise the two parties regarding their respective legal liabilities in these circumstances. [25]

© UCLES 2015

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge International Examinations Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cie.org.uk after the live examination series.

Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.