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 2016**

1 hour 30 minutes

No Additional Materials are required.

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READ THESE INSTRUCTIONS FIRST

An answer booklet is provided inside this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional answer paper ask the invigilator for a continuation booklet.

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

The number of marks is given in brackets [ ] at the end of each question or part question.

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

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[Turn over

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 A 'battle of the forms' often takes place when commercial contracts are made.

Evaluate the rules that determine when, and on what terms, commercial contracts come into existence. [25]

2 Mistake is generally better than misrepresentation as a basis for a claim in contract.

Critically analyse this view. [25]

3 Critically assess the fairness of the rules of causation and remoteness that are applied by the courts to restrict liability for breach of contract. [25]

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Section B

4 Euan is due to start a new job and has to move to an apartment in Paris which is much smaller than the one he has in London. He sends a letter to his sister, Faith, and asks whether she would be interested in buying his large television for £500. His letter asks for a prompt reply, as a friend wants to buy it from him.

Faith writes a reply immediately to Euan saying that she would like to buy it for £500, but also asks if he is prepared to accept payment in four monthly instalments. She receives no reply from Euan as her letter gets lost in the post.

Having made several attempts to contact Euan by telephone, Faith borrows £500 from her bank and immediately sends Euan a £500 cheque for the television. By the time Euan receives Faith's cheque, he has already sold the television to his friend.

Consider Euan's contractual liability towards Faith and the remedies that she might pursue against him. [25]

5 Ashraf agrees to buy a speedboat from Bashir for £50 000. Ashraf pays a deposit of £5000 and agrees to make equal monthly payments of £5000 for nine months.

For the first eight months Ashraf makes the agreed payments. He then loses his job and is unable to find another one. Ashraf explains the situation to Bashir and is promised that he will be excused the final payment of £5000 if he agrees to paint one of Bashir's boats instead.

Discuss Ashraf's liability for the £5000, whether or not he paints Bashir's boat. [25]

6 Carly decides to buy a new car from Dexter's Garage. A written order is drawn up for a black, 2.0 litre model with alloy wheels and a GPS navigation system. Carly pays the garage a deposit of £4000 and agrees to pay the balance of £16 000 on delivery.

Several weeks later, Carly receives a telephone call to say that the car is ready for delivery. On arrival, she discovers that the car the garage has obtained for her is a 2.0 litre model, but is green and does not have alloy wheels fitted.

Carly refuses to take delivery of the car and to pay the balance. The garage offers to reduce the price of the car, but Carly still says that she does not want it.

Advise Carly and Dexter's Garage of their respective rights and liabilities as a consequence of these events. [25]

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