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 2017**

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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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 Parties who suffer a breach of contract are entitled to such damages as will put them in the position they would have been in if the contract had been performed.

Critically assess any limitations to this general rule of Common Law. [25]

2 An offer to form a contract will last forever unless expressly revoked.

Critically evaluate the truth of this statement. [25]

3 The introduction of innominate terms has resulted in a significant level of uncertainty in contract law.

Explain innominate terms and the reasons for their introduction and critically analyse their use. [25]

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Section B

4 Oliver quotes Naomi a price of £750 to repair her car. Oliver soon realises that he has underestimated the amount of work and the number of replacement parts required. He telephones Naomi to say that he cannot complete the work for her unless she agrees to pay him an extra £250. Naomi needs the car back as quickly as possible, so she reluctantly agrees to pay him the additional amount. She later regrets agreeing to pay the additional money.

Advise Oliver and Naomi of any legal rights, duties and remedies arising from the above situation. [25]

5 Pixie is trying to sell her racehorse called White Blaze. While Quentin examines the racehorse, Pixie tells him that it has a good temperament and has won 15 races and £500 000 prize money in the past 2 years. Quentin buys the racehorse for £30 000 but soon discovers that he has been misled.

According to published records of horse races held throughout the country, White Blaze has only ever finished four races and did not win any of them.

The racehorse proves to have a poor temperament and bites other horses in Quentin's stables and kicks other horses at race meetings.

Discuss Pixie's potential liability towards Quentin. [25]

6 Ursula owns a mobile phone shop. She receives a letter from XYZ Electronics offering to sell 5000 of their latest phones at a special price. The letter makes it very clear that stocks at that price are limited. Ursula immediately faxes XYZ and places an order for all 5000 phones at the special price. The fax arrives at XYZ's office while it is closed for the weekend. When the office reopens the fax is not read immediately, but is put aside to be dealt with later. By the time the fax is read, there are no phones left at the special price.

Advise the parties as to their respective rights and liabilities in these circumstances. [25]

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