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 2018**

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 Specific Performance has limited importance as a remedy in the law of contract.

Explain the nature of this remedy and assess the accuracy of the statement above. [25]

2 Assess the extent to which mistakes made by the parties during the formation stage might invalidate the resulting contract. [25]

3 Valid consideration is essential to the formation of binding contracts.

Explain the Rule in *Pinnel's Case* and assess the extent to which its application has been mitigated by the development of the doctrine of promissory estoppel. [25]

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Section B

4 Arvind buys a ticket to fly to India to visit his family. He prints the boarding pass and, without reading it thoroughly, places it in his desk drawer for safe keeping. On the day of travel, he puts the boarding pass in his pocket and heads for the airport. As Arvind boards, he slips on some oil on the aeroplane steps and falls, severely injuring his back. He also smashes a very expensive antique jug which he was carrying in his hand luggage as a present for his mother.

Arvind's injuries prevent him from returning to work for six months. When Arvind demands compensation for his injuries and for the broken jug, the airline seeks to rely on one of the terms of contract referred to on its boarding passes. The term in question states that the airline is not liable for any loss sustained by its passengers.

Discuss the rights of Arvind to claim for the losses he has sustained. [25]

5 Blanche is a taxi driver. She owns her own taxi, but it has been involved in an accident recently and has been so badly damaged that she needs to replace it.

She visits a motor dealer's showroom in April and orders a new taxi; the motor dealer says that delivery should be by the end of the month. However, the vehicle is not delivered to Blanche until the middle of June.

By the time she takes delivery of the new taxi, Blanche has lost regular bookings to the value of £10 000. She has also had to turn down a special job to drive the chairman of a large company to a conference in Switzerland on 1 June. She would have been paid £5000 for this.

Blanche claims compensation from the motor dealer. He alleges that there has been no breach of contract and says that she should have temporarily rented another vehicle to use for her business.

Discuss the potential legal liability of the motor dealer for the losses suffered by Blanche. [25]

6 Carlo leaves home on the day of his seventeenth birthday to start a job as a trainee engineer in a factory owned by Django. He finds an apartment close to the factory and enters into an agreement with Elmo, the apartment owner, to lease it for two years. Four weeks later, Carlo borrows £5000 from his work colleague, Fernando, and uses it to buy a car.

As Carlo is a trainee, the pay is very low and six months later he has run out of money. Carlo quits his job, leaves his apartment, and drives in his car to live with his uncle 200 kilometres away. He also fails to repay the money he borrowed from Fernando.

Discuss Carlo's potential liability to Django, Elmo and Fernando and any remedies that might be awarded to them. [25]

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