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 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 Courts can make awards of either liquidated or unliquidated damages.

Examine the different factors taken into account by the courts when making either type of award and assess whether the application of these factors leads to a fair outcome. [25]

2 English law aims to strike a balance between the freedom to contract and the need to look after those people in society who are unable to protect themselves.

Examine the capacity of minors to make binding contracts. Assess the extent to which this aim is achieved when minors enter into contracts. [25]

3 The intention to create legal relations plays a relatively limited role in the formation of valid contracts.

Assess the accuracy of this statement. [25]

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Section B

4 Ava is going shopping. She drives to town and enters the main car park operated by XYZ where she has left her car many times before. At the barrier to the car park, she is issued with a ticket which she places in her handbag for safekeeping, but does not read. The ticket clearly states that cars are parked according to the terms and conditions displayed within the car park. These terms are listed on notice boards throughout the car park and state that cars are parked entirely at their owners' risk.

Ava returns to her car a few hours later. She pays the parking fee but as she is leaving the car park, a faulty barrier at the exit falls and badly damages her car.

Discuss any contractual rights that Ava might have to recover compensation from XYZ for the damage caused to her car. [25]

5 Benji is trying to sell his caravan and hears that Clarice might be interested in buying one. He writes and posts a letter to Clarice offering to sell the caravan to her for £1000. Benji's letter tells Clarice that he needs a reply by 30 May.

On 28 May, Clarice hears from a mutual acquaintance that Benji has agreed to sell his caravan to a caravan dealer. Nevertheless, Clarice posts a letter of acceptance the same day, agreeing to buy the caravan for £1000. Benji receives the letter from Clarice on 29 May.

Discuss Benji's potential contractual liability to Clarice and to the caravan dealer. [25]

6 Didier orders 200 laptops from Eric. He sends Eric an order form, using an address which is on a street well known for shops selling computers. Eric thinks that the order has come from a reputable business and is pleased to supply Didier on credit terms. In fact, Didier is not running a reputable business and is just renting a small basement room at the address.

Eric sends the laptops to the delivery address provided on the order form. As soon as Didier receives them, he sells all the laptops to Frank, an unsuspecting customer. Didier then disappears without paying Eric.

Discuss the contractual position of Eric and Frank. [25]

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