Cambridge International AS & A Level

Cambridge International Examinations
Cambridge International Advanced Subsidiary and Advanced Level

LAW **9084/33**

Paper 3 Law of Contract **May/June 2018**

1 hour 30 minutes

No Additional Materials are required.



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 Silence never amounts to a representation actionable in law.

Assess the accuracy of this view of the doctrine of misrepresentation. [25]

2 Promises are only made legally binding when valid consideration is given in return.

Discuss how the development of the doctrine of consideration has been impacted by the decision in *Williams v Roffey Brothers* [1990]. [25]

3 Specific Performance is an equitable remedy in civil law.

Explain why equitable remedies exist and assess whether the limited conditions under which Specific Performance is granted for breach of contract are justifiable and fair. [25]

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Section B

4 Christophe works as an assistant in the loan department of AA Bank. His job is to prepare the contracts used when customers borrow money from the bank. AA Bank requires all loan contracts to be authorised by the Loans Manager, Delilah.

Christophe wants to buy a sports car but he is unable to borrow the necessary money because he has failed to repay bank loans previously. He passes a pile of documents to Delilah for authorisation which includes a contract granting Christophe a six-year interest-free loan from AA Bank. Delilah needs to leave work on time to meet her husband for dinner and hurriedly signs all of the documents without checking them properly.

At a later date she discovers that she has mistakenly authorised the loan to Christophe.

Discuss whether Delilah and AA Bank are legally bound by the loan contract with Christophe. [25]

5 Tamara wants to buy Suneeta's specialist sewing machine. Suneeta posts a letter to Tamara, offering to sell the machine for £500 and saying that she needs a reply by 31 May. Tamara does not reply immediately and a few days later she hears from a mutual friend that Umma has agreed to buy the machine from Suneeta.

Knowing how difficult specialist sewing machines are to find, Tamara posts a letter to Suneeta on 30 May in which she agrees to buy the sewing machine. Suneeta receives the letter from Tamara on 1 June, but she has already agreed to sell the machine to Umma.

Discuss Suneeta's potential contractual liability to Tamara and to Umma. [25]

6 XYZ is a bakery business. The company sends its standard order form to ABC, a supplier of flour, requesting the supply of 100 sacks of bread flour at £20 each, for delivery by 1 November. On the back of the form are printed a number of terms, including one which says that payment will only be made 28 days after delivery of any goods ordered.

ABC sends a form acknowledging the order to XYZ which contains ABC's terms of business. These terms provide for payment on delivery and that ABC cannot be held liable for the quality of the goods that it supplies. Nobody in XYZ's office reads the order acknowledgement.

The sacks of bread flour are delivered to XYZ on 30 October and an immediate demand for payment is made. XYZ refuses on the basis that its terms of business permit 28 days for payment.

The first 10 sacks opened are found to be infested by insects and XYZ decide to reject the entire 100 sack order.

Discuss the respective rights and liabilities of the parties under the contract. [25]

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