Cambridge International AS & A Level

Cambridge Assessment International Education
Cambridge International Advanced Subsidiary and Advanced Level

LAW **9084/31**

Paper 3 Law of Contract **May/June 2019**

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.

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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 Describe the limitations imposed on an award for damages and assess the view that they are based on a desire to be fair to both parties. [25]

2 Outline the rules which state that performing an existing duty cannot amount to sufficient consideration.

Assess whether or not it was justifiable for the court to widen the limits of consideration when reaching its decision in *Williams v Roffey Brothers & Nicholls (Contractors) Ltd [1990]*. [25]

3 Many oral statements are made in the course of negotiations but not all become a term of the contract.

Examine how the courts decide whether such statements become terms or remain just representations and justify why such a distinction is important. [25]

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Section B

4 Pam has just become 17 years old and enters into a 1 year apprenticeship to train as a chemical engineer. The contract states that she may be required to cover for any absent staff but in return will receive a basic wage and training from experienced engineers.

Needing to move home, she contracts to rent an unfurnished flat (apartment) for one year.

Pam also takes out a bank loan so that she can buy furniture for her new flat. The loan is guaranteed by Pam's parents.

Pam leaves the apprenticeship after three months, complaining that she always covers for the night staff and is ignored by the experienced engineers. Because of her lack of income she immediately stops paying rent on the flat. She also falls behind with the loan repayments and the bank wants full payment of the debt.

Advise Pam whether the three contracts she has made are binding. [25]

5 On 1 June the owner of ABC Antiques telephones Beth, a regular customer, offering to sell her a unique fifteenth century chair for £25 000 and asking for a response by 10 June.

On 8 June at 10:00, Beth telephones to accept the offer but can only leave a voicemail message as no one answers. She has, in fact, used the wrong number in error.

At 15:00 on the same day, Beth receives a telephone call from a friend who is shopping at ABC Antiques. She tells Beth that Carla, another customer, is in the shop negotiating to buy the chair.

Beth rushes into the shop at 15:30 but ABC Antiques say it has just sold the chair to Carla. Beth insists the chair is sold to her because she let them know she wanted it at 10:00.

Consider ABC Antiques' contractual liability to Beth and her remedy if she is successful in her claim. [25]

6 Lisa wishes to sell her boat called 'Neptune'. She asks Manish if he would like to buy it. Manish has seen a boat called 'Neptune' in the harbour and thinks it is just what he is looking for. He pays Lisa's asking price for 'Neptune'.

Manish tells Oscar that he has bought a boat. Oscar offers to sell him an inflatable lifeboat which he has at home and no longer needs. Manish pays him for it and agrees to collect it later.

When Manish goes to collect the lifeboat, Oscar informs him that his wife had thrown it away without telling him.

The next day, Manish meets Lisa at the harbour. He sees her standing next to a boat called 'Neptune' which is much smaller than the one he thought he had bought. He realises his mistake as there are, in fact, two boats called 'Neptune' that use the harbour.

Advise Manish as to whether he has any course of action against Lisa and Oscar. [25]

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