Cambridge Assessment International Education

Cambridge International AS & A Level

LAW **9084/32**

Paper 3 Law of Contract **May/June 2020**

1 hour 30 minutes

7836682032

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **three** questions in total:
  - Answer **at least one question** from Section A.
  - Answer **at least one question** from Section B.
  - Answer **one other question** from **either** Section A **or** Section B.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 75.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **4** pages. Blank pages are indicated.

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Answer **at least one question** from Section A.
Answer **at least one question** from Section B.
Answer **one other question** from **either** Section A **or** Section B.

Section A

1 The restrictions imposed by the courts regarding the use of exemption clauses arise because of judicial sympathy for the weaker party.

Describe the common law rules regarding incorporation and interpretation of exemption clauses. Assess the validity of the statement above. [25]

2 Compensation for financial loss resulting from breach of contract is more likely than for disappointment or emotional distress.

Describe the purposes of damages as a remedy for breach of contract. Assess the fairness of the distinction drawn between pecuniary and non-pecuniary loss. [25]

3 When the courts develop a new set of principles there is often doubt about how far these principles extend.

Describe the doctrine of promissory estoppel. Assess the validity of the statement above in relation to this doctrine. [25]

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Section B

4 Soon after his 17th birthday, Rick gets a job as a trainee chef at a well-known restaurant in Melchester, 30 miles away.

Rick's one-year contract with the restaurant promises him a basic wage and the opportunity to train with a famous chef, although he may be required to work any hours and occasionally do other kitchen duties.

There is no public transport available so Rick lies about his age in order to buy a new car on credit from Topdeal Motors.

Rick gives up his job at the restaurant after only two months, complaining that all he has done is wash dishes until 02:00. He says he has never worked with the famous chef and has received no training.

Rick sells the car, having made no loan repayments. With the money he receives from the sale he buys a motorbike and spends the remainder on a holiday with his friends.

Advise the restaurant and Topdeal Motors whether the contracts they have made with Rick are enforceable and, if so, any remedies they might be granted. [25]

5 Iqbal wants to update his information technology (IT) system and meets with Jasper, the owner of an IT solutions company.

Jasper tells Iqbal that, if given the contract, his company will provide 'the latest software available' and '24/7 customer support for the new system'. Jasper also suggests that Iqbal speaks to a satisfied customer and gives him the contact details for Kate.

Iqbal meets Kate and is impressed with how complimentary she is about Jasper's work. The next day, on the basis of this and Jasper's earlier promises, Iqbal makes a contract with Jasper to update his IT system. The work is completed the following week.

A month later Iqbal is disappointed to discover that not every software program is the latest version. When he tries to report problems with his new system, his calls are unanswered. He is annoyed to see a picture of Kate with Jasper in the local newspaper alongside an article describing them as 'owners of a successful IT solutions company'.

Advise Iqbal of any rights he may have against Jasper. [25]

6 Asha buys two tickets for the football cup final. She tells her brother Bilal that she will give him a ticket if he will drive them to the game. He agrees. She later changes her mind, telling Bilal that she is going to take her new boyfriend to the match instead.

Cushy Cars (CC) sponsors the cup final and in the month before the match, it runs a competition to promote its business. The advertisement promises every customer who has a car serviced by CC the chance to win a new car.

Asha is persuaded by the advertisement and pays to have her car serviced at her local CC dealership and enters the competition. Six weeks later she is told that she has won but is shocked to receive only a toy model of a car.

Advise Asha whether the agreement she has made with Bilal is enforceable and of any legal rights against Cushy Cars. [25]

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