Cambridge Assessment International Education

# Cambridge International AS & A Level

**LAW** **9084/33**

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

**1 hour 30 minutes**

*0182347961*

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 law's approach to minors' contracts involves a balance between protecting the interests of young people and of those who contract with them in good faith.

Describe the different categories of minors' contracts. Assess the validity of the statement above. [25]

**2** Explain the limitations imposed on an award of damages and assess whether these prevent unreasonable burdens on the defendant. [25]

**3** The traditional approach of classifying a term based on the intention of the parties at the time the contract was made is now of little significance following the recognition of the 'consequences approach' in *Hong Kong Fir Shipping Co Ltd v Kawasaki Kisen Kaisha Ltd (1962)*.

Describe the different ways terms are classified. Assess the validity of the statement above. [25]

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## Section B

**4** Karat, a manufacturer of diamond rings, has its computer system hacked by Bella. She gains access to a number of order forms placed by Dazzler, a respected jewellery retailer, located at 12 Gem Street, Melchester. Bella rents an empty office at 13 Gem Street. She then alters one of Dazzler's order forms to reflect this address and orders an expensive diamond ring from Karat.

Karat fails to notice the change of details and, thinking it is dealing with Dazzler, sends the diamond ring on the usual credit terms to the address stated.

Bella takes delivery of the ring and immediately travels to a neighbouring town where she sells the ring to Edward, who thinks he is buying an unwanted ring in good faith from a genuine seller.

Bella fails to pay Karat and disappears before the fraud is discovered.

Advise Karat if the ring can be legally recovered from Edward. [25]

**5** Land Grab Holdings (LGH) owns a shopping mall in Barchester. In 2010, Menu Food (MF) leased one of the shops from them at an annual rent of £20 000 for a period of 15 years. By 2015 many of the shops in the mall had closed down due to an economic recession. MF asked LGH if it could reduce the annual rent to £10 000 to compensate for the loss of trade. LGH agreed.

By 2020 the economic prospects for the area are better. Barchester Council have relocated to offices nearby and transport links have improved. As a consequence, many shops are let again. LGH has informed MF that it intends to restore the annual rent to £20 000 for the remaining term of the lease and to claim back the arrears of £50 000 for the previous five years.

Advise the parties of their rights and obligations. [25]

**6** Swizzeroo places the following advertisement in the window of its electrical superstore in Melchester:

> Sale tomorrow
> Large widescreen TV reduced from £1000 to £100 to first 20 customers
> Other fantastic bargains available instore

On the day of the advertised sale, Tahir is 19$^{th}$ in the queue which has formed outside the store. When the store opens, Tahir goes to the sales counter to claim a TV at the bargain price promised. He is told by a sales assistant that the store manager has just ended the sale on this item and returned the price to £1000.

Tahir, still believing he can get a bargain, continues to look around the store. He notices a laptop computer priced at £45. He takes it to the sales counter to pay for it. The store manager tells Tahir that the laptop has been priced incorrectly and should be £450. Tahir leaves the store empty handed, after telling the manager he intends to seek legal advice.

Advise Tahir of any contractual rights he may have against Swizzeroo regarding the TV and the laptop. [25]

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