Cambridge Assessment International Education

Cambridge International AS & A Level

LAW **9084/32**

Paper 3 Law of Contract **May/June 2022**

1 hour 30 minutes

3299115563

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. Any 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 Assess the extent to which adequate protection is given to minors who enter into agreements with adults. [25]

2 Discuss the rules a court will need to consider when deciding whether or not to declare a contract void for unilateral mistake as to identity. [25]

3 Specific performance is a remedy for breach of contract awarded at the court's discretion.

Describe the nature of this remedy. Assess the extent to which the court's discretion to use it is limited. [25]

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Section B

4 AB Ltd (ABL) is a small building company that makes a contract with Carly to build an extension to her home for £20 000. It secures a contract with another client to start work as soon as Carly's work is complete.

Carly pays an initial deposit of £5000. The remaining £15 000 is to be paid when the work is completed. However when the work is completed Carly says she can't afford to pay the agreed £15 000, but only £10 000 in full settlement of the debt. ABL reluctantly accepts the smaller amount, because it needs to purchase materials for its next job or risks losing that work.

Two weeks later ABL discovers that at the time it was working on Carly's home she had in fact inherited a large sum of money from a relative. It therefore asks Carly for the outstanding £5000 owed but she still refuses to pay.

Advise ABL and Carly of their contractual rights and liabilities under the rules of consideration. [25]

5 SRC is a removal company. Its service is to pack small items in containers, deliver them to the customer, who then unpacks them and notifies the company when the empty containers are available for collection.

Rafiq contacts SRC as he is moving to a new house. SRC sends Rafiq its written terms and conditions, which include the following exemption clauses:

> A: SRC will not be liable for any breakages reported more than seven days after the delivery date.
> B: SRC will not be liable for any other loss or injury, howsoever caused, from the delivery date to the collection of the containers.

Having read the terms, Rafiq informs SRC that he is happy to proceed with the contract.

The containers arrive on 1 June at Rafiq's new house. He immediately unpacks some of the containers but only briefly inspects the contents of the others. Ten days later, he unpacks the other containers. In one of them, he finds that a valuable vase has been broken. Another container is in a poor condition and Rafiq badly cuts his hand on it when lifting it.

Rafiq tells SRC that he wants compensation for the injury to his hand and for the broken vase. SRC argues that the exemption clauses in the contract protect it.

Advise Rafiq whether he is likely to succeed in his claim against SRC. [25]

6 Rani owns a jewellery shop. Sarah is in the shop when she notices a gold necklace on display with a price tag of £5.00. Sarah asks to buy it but Rani refuses to sell it to her at that price, telling her that the price tag is incorrect and should say £500.

Tara telephones Rani and asks if the diamond ring she noticed on display in the shop window earlier that day has been sold. Rani tells her that it is still for sale for £200. At that point the telephone call is unexpectedly disconnected and Rani does not hear Tara agree to that price. Unable to re-establish contact with Rani, Tara goes to the shop an hour later only to be told by Rani that the ring has just been sold to another customer.

Advise Rani of her liability, if any, to Sarah and Tara. [25]

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