Cambridge Assessment International Education

Cambridge International AS & A Level

LAW **9084/33**

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

1 hour 30 minutes

9313336029

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 The doctrine of promissory estoppel can always be relied upon to resolve injustice.

Describe the conditions needed for the doctrine of promissory estoppel to apply. Assess the validity of the statement above. [25]

2 Assess the view that the rules relating to revocation of an offer provide flexibility and certainty to the offeror. [25]

3 Describe the two presumptions used to determine the existence of an intention to create legal relations. Assess whether this requirement is still needed in contract law. [25]

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Section B

4 Chloe agrees to supply and install new refrigeration at Bashir's food distribution depot in Melchester. She promises to complete the work by 1 May but technical difficulties delay the installation so that the work is not completed until 1 August.

The delay in installing the refrigeration causes Bashir's business to lose £50 000 in profit from contracts that he had to cancel between 1 May and 1 August.

Bashir also loses a special contract to supply ice cream to a nearby theme park during the holiday period. As a consequence Bashir suffers a loss of expected profit of £20 000 and significant mental distress.

Advise Chloe whether or not she is liable to pay damages for all the losses sustained by Bashir. [25]

5 Eve is a brilliant musician and singer who has recently turned 17. She accepts a place at a music academy and moves home to rent an apartment from Freya for two years.

To help pay for her tuition fees she performs at several hotels close to her apartment. In order to get to these venues and safely transport her musical equipment she buys a large car on credit from Gina, a car dealer.

After one particular performance Harry, a music producer, offers her a contract under which he agrees to pay her tuition fees and promote the commercial sale of her music. In return Eve agrees to work exclusively for him for five years and give him 40% of her earnings.

Six months later the first song she releases is a worldwide success. She accepts an offer from a major international record company. She immediately moves overseas to work, stops paying the rent on her apartment and does not make any further credit payments on the car.

Advise Eve of her liability, if any, regarding the contracts she has made with Freya, Gina and Harry. [25]

6 Jake owns a building. He uses one floor for his restaurant business while the other is an apartment which he rents to a tenant. He has decided to sell the building and enters into negotiations with Kate, telling her 'the restaurant is the best in town'.

Jake shows Kate the accounts for the previous year which show that the business is profitable. However, Jake's accountant has made an error and the figures presented significantly overestimate the value of the business.

When Kate enquires about the apartment Jake states it is a long-term rental agreement but does not tell her that the tenant is not going to renew it when it expires the following week.

Kate buys the building but in the first year her restaurant business operates at a loss and she is unable to rent out the apartment.

Advise Kate if she has any potential claim for misrepresentation. [25]

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