UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Advanced Level

LAW **9084/32**

Paper 3 Law of Contract **October/November 2013**

1 hour 30 minutes

Additional Materials: Answer Booklet/Paper

9127222046

READ THESE INSTRUCTIONS FIRST

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.
Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer **one** question from **Section A**, **one** from **Section B** and **one other**, thus making a total of **three** responses required.

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **4** printed pages.

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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 Injustice is caused by the rules relating to the capacity of minors to contract with adults.

Critically assess the extent to which the remedies that adults can obtain against minors mitigate this. [25]

2 A claim for damages can be based on expectation loss or reliance loss principles.

Discuss the concepts of expectation loss and reliance loss and critically analyse limitations imposed by the speculative damages and bad bargain rules. [25]

3 *Caveat vendor. Caveat emptor.*

Critically analyse the extent to which mistakes made by the parties when forming a contract might invalidate any resulting contract. [25]

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Section B

4 Helen and Dan live in a house which has a very large garden. They are asked by their neighbour, Petra, if they would allow her to use their garden for a wedding party for her daughter.

They agree that she can and, in order to better accommodate the number of guests invited to the party and to make the garden prettier, Helen and Dan have the lawns enlarged and more shrubs planted.

Advise Petra as to her potential legal liability to Helen and Dan in **each** of the following independent situations.

(a) Helen and Dan ask for a payment of £500 for the use of the garden. Petra agrees to pay, but fails to do so.

(b) Nothing is initially agreed about payment, but Petra is so pleased with what Helen and Dan do for her that, once the party is over, she promises to give them £500, but never does. [25]

5 Eidur is a professional member of the London Dragons speedway team which has a contract to conduct its training at the Crystal Dome arena.

During a training session, the speedway bike that he is riding collides with equipment left on the track by an employee of the Crystal Dome. Eidur sustains serious injuries which stop him from riding competitively for several months at a personal cost of £25 000.

The owners of the arena draw his attention to the notice displayed at the riders' entrance to the race track.

Important Notice
The Owners cannot be held responsible for any loss or injury sustained by users of the arena howsoever caused.

The same notice is also printed on the back of the ticket issued to members of the public when they pay to watch a speedway meeting at the arena.

Discuss the legality of the exclusion notice used at the riders' entrance and on the back of spectators' tickets and advise Eidur of his potential rights to recover compensation for the loss that he sustained. [25]

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6 Lesley used to be a land surveyor until she retired recently. She writes a letter to a friend, Patrick, who has just qualified as a surveyor to ask if he would be interested in buying her surveying equipment for £1000. She tells Patrick to reply promptly, as an ex-colleague is already interested in buying the equipment.

Patrick would need to get a loan to buy the equipment, but he posts an immediate reply to Lesley in which he expresses a definite interest, but also asks if she would be prepared to accept payment by two equal instalments. Lesley does not receive this letter from Patrick.

Without waiting for a reply, Patrick arranges to borrow the money from his bank and, several days later, posts a cheque to Lesley for the £1000 asking price. By the time Lesley receives it, she has already sold the equipment to her ex-colleague.

With reference to relevant case law, discuss Lesley's potential contractual liability towards Patrick and the possible remedies that he might pursue against her. [25]

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