Cambridge International AS & A Level

Cambridge International Examinations
Cambridge International Advanced Subsidiary and Advanced Level

LAW **9084/32**

Paper 3 Law of Contract **October/November 2015**

1 hour 30 minutes

Additional Materials: Answer Booklet/Paper



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, 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 **3** printed pages and **1** blank page.

DC (ST) 107643
© UCLES 2015

CAMBRIDGE International Examinations

[Turn over

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 Exemption clauses are commonly disapproved of in court.

Evaluate the ways that the judiciary has found to regulate the use of these clauses without reference to statute, using case law to support your argument. [25]

2 The range of remedies that courts have the authority to award means that an appropriate solution can be found for all breaches of contract.

Describe the range of remedies available to the courts and assess the truth of this view. [25]

3 Explain the three forms that an actionable misrepresentation may take.

Critically assess the suitability of the remedies available to a person who has contracted on the basis of each of these forms of misrepresentation. [25]

© UCLES 2015

Section B

4 Basmati Hospitality (BH) owns and operates many hotels and restaurants throughout England and Wales. The company receives an email from Celebrity Cuisine (CC) which reads: 'Try the latest Tornado Rice Cooker: Can offer at just £100 each'.

On 1 October BH email a reply which states: 'Will take 40, delivery by 15 November please'.

Upon receipt of the email, CC replies, saying: 'Thank you for your email which is receiving our attention'.

Two weeks later CC is ready to deliver the 40 cookers to BH. Before they leave the factory, another email is received from BH saying: 'Please cancel the order, cookers no longer required'.

Advise the parties as to their potential contractual liability in these circumstances, using appropriate case law to support your response. [25]

5 Oscar asks Patrick to quote for the construction of a holiday home in Wales. He wants it to be built from authentic Swedish wood. Patrick quotes him £80 000 for the work and materials and Oscar accepts.

Patrick begins the building project but runs into unexpected additional expense as he had failed to take into account the import tax payable on Swedish wood. He contacts Oscar to explain that he has quoted too low a price for the job, and he needs another £7500. Oscar agrees to pay Patrick the extra amount.

Oscar visits the finished holiday home. He finds that instead of Swedish wood, Patrick has used cheaper and darker local wood instead. Nevertheless Oscar pays him the agreed £80 000 for the job but he refuses to pay the extra £7500 that he had promised Patrick.

The local wood gives off a very unpleasant smell and Oscar and his family are unable to use the holiday home. Oscar would like to seek compensation from Patrick.

Advise the parties of their legal rights and liabilities in this situation. [25]

6 Samira is due to celebrate her 18th birthday in two weeks' time and is about to start to work in Manchester. She shops on the Internet for suits to wear for work; she orders two suits from Top Style and agrees to terms that require her to pay £75 each for them on delivery.

Samira likes to keep fit so she also buys three pairs of running shoes on credit terms from Lace-Ups even though she already owns two similar pairs.

The suits are delivered to Samira but she fails to pay the invoice price of £150. She also fails to make any of the agreed credit repayments for the running shoes; two pairs of which remain unworn and the other pair has been sold to a friend.

Advise Samira of her legal liability and the potential remedies that the two suppliers may obtain against her. [25]

© UCLES 2015

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge International Examinations Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cie.org.uk after the live examination series.

Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.