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 2018**

1 hour 30 minutes

No Additional Materials are required.

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READ THESE INSTRUCTIONS FIRST

An answer booklet is provided inside this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional answer paper ask the invigilator for a continuation booklet.

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

The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **3** printed pages, **1** blank page and **1** Insert.

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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 Unilateral mistakes seldom invalidate contracts.

Discuss the impact of unilateral mistakes on the parties to a contract and assess the accuracy of the statement above. [25]

2 The rules that determine a minor's capacity to contract with adults frequently cause injustice.

Assess the extent to which the remedies that can be obtained against minors mitigate against any injustice caused. [25]

3 Damages represent a remedy for breach of contract which a claimant can obtain as of right and it is unfair to place any limitations on them.

Examine the limitations on the award of damages for contractual losses and assess the accuracy of the statement above. [25]

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Section B

4 Brooklyn regularly uses the AAA Fitness Centre in Melchester. He pays £10 for a ticket each time he wants to use the gym. During one of his visits, Brooklyn is using one of the fitness machines. A cable snaps and he is propelled backwards, hurting his back and damaging his expensive sports watch.

His injuries are so severe that he cannot work for several months and he loses £10 000 in earnings. His watch is damaged beyond repair. He demands compensation from AAA Fitness Centre, but the company refuses his request saying that the contract between the gym and its users excludes the company's liability for any injuries or losses.

The notice shown below is displayed alongside the office where entry tickets are purchased. It is also printed on the back of the ticket given to gym users once the entrance fee has been paid.

AAA Fitness Centre
Users of this gym facility do so totally at their own risk

Advise Brooklyn and AAA Fitness Centre as to their respective contractual rights and liabilities in this situation. [25]

5 Chad needs to sell his fishing boat, so he advertises it for sale for £30 000. Digby wants to buy the boat and he contacts Chad to ask if he would accept payment by instalments. They agree that Digby will pay an initial deposit of £6000 and the balance by 12 monthly instalments of £2000.

Digby pays the deposit and, for the first 10 months, he makes the agreed repayments. He then suffers a long term illness and has to stop fishing. Digby tells Chad that he has run out of money to pay for the boat. Chad feels sorry for Digby and tells him that he does not need to pay the remaining £4000.

Six months later, Chad sees Digby driving a brand new car. The next day he goes to Digby's house and demands to be paid the rest of the money.

Discuss Digby's potential liability towards Chad. [25]

6 Elsa, Faith and Georgie are members of a dance band. They have just finished playing at a wedding when Elsa is approached by her uncle Harry, one of the guests, who asks if they would be prepared to play at his daughter's birthday party in August. The members of the band agree to play at the party.

At the end of the birthday party in August, Elsa hands a bill for £450 to Harry. He expresses surprise and says he was not expecting to pay for the band.

Three months later, despite repeated requests, Harry has still not paid the bill.

Advise Harry and the band of their respective rights and obligations in this situation. [25]

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