Cambridge Assessment International Education

Cambridge International AS & A Level

LAW **9084/32**

Paper 3 Law of Contract **October/November 2021**

1 hour 30 minutes

5129126233

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 A person deceived into parting with goods by the actions of another should be advised to make a claim under fraudulent misrepresentation rather than unilateral mistake as to identity.

Describe these vitiating factors and assess the validity of the statement above. [25]

2 Describe what losses from a breach of contract may be compensated by an award of damages. Assess whether the law in this area is satisfactory. [25]

3 Describe the categories of contract enforceable against a minor. Assess how effective the law is in balancing the protection of minors with fairness towards those adults who contract with them. [25]

Section B

4 Barchester Council contracts the supply and fitting of low energy streetlights to XYZ Ltd for a price of £150 000. The council wants the work to be completed by 30 April 2021. The work is on schedule until January 2021 when the council notices that the rate of fitting has slowed down. XYZ informs the council that it is struggling to obtain the parts needed due to the demand for low energy products.

Barchester Council agrees to pay XYZ an extra £10 000 if it completes the work by the end of April 2021. After spending significant additional time and money to source the parts needed, XYZ completes the contract on time.

XYZ demands the extra payment promised but the council refuses to pay.

Advise Barchester Council of its contractual liability, if any, regarding its promise to pay XYZ Ltd the extra £10 000. [25]

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5 Charles, a brick manufacturer, has a surplus of bricks which he is prepared to sell at a discounted price. He knows that David and Edward, owners of two separate building companies, have expressed an interest in buying them.

At 16:00 on Thursday Charles leaves voicemail messages for David and Edward telling them that he will sell the bricks for £25 000 to the first person to reply to him at his office before close of business that day at 17:00.

David immediately telephones saying that he would pay £20 000 for the bricks but Charles says no.

Having heard nothing further from David and Edward, Charles leaves at 16:55.

At 16:56, David, who has reconsidered, makes a second call to Charles and leaves a voicemail message agreeing to pay £25 000.

At 16:59, Edward telephones Charles and leaves a voicemail message agreeing to pay £25 000.

Charles is not aware of either of these communications until he returns to his office the following morning and listens to his voicemail messages.

Advise Charles of his liabilities, if any, in these circumstances. [25]

6 Gary and Fay make an online booking for a holiday with AB Cruises Ltd (ABC). During the booking process, they are presented with ABC's standard terms and conditions which include the following clause:

> *No liability is accepted by the company for any injury or loss to persons or property in any circumstances whatsoever.*

They fail to read the terms and conditions but still tick the box to indicate they have read and understood them.

Every cabin on board the ship has a lockable security box into which passengers can place valuable belongings for security, but a small fee is chargeable for its use. They decide not to pay this fee and two days later Gary's expensive camera is stolen from the cabin.

Towards the end of the holiday, Fay is swimming and she cuts her foot badly on a broken tile in the ship's swimming pool.

On returning home they demand compensation for the loss of Gary's camera and the injury to Fay but ABC argues the clause protects it from liability.

Advise Gary and Fay of their rights against AB Cruises Ltd. [25]

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