Cambridge Assessment International Education

Cambridge International AS & A Level

LAW **9084/31**

Paper 3 Law of Contract **October/November 2022**

1 hour 30 minutes

7314792236

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 Acceptance of an offer needs to be effectively communicated.

Assess whether the law regarding modern and traditional means of communicating acceptance successfully achieves this. [25]

2 Examine the view that only misrepresentations made orally, in writing or by conduct are considered actionable and as such silence does not usually amount to a false statement. [25]

3 When classifying terms, courts are usually governed by either the need to create certainty or fairness.

Explain and evaluate the courts' approach to classifying terms. [25]

Section B

4 Enzo is negotiating to buy Fay's car repair and sales business.

Enzo wants to operate it as a repair only business in the future and plans to sell the existing car stock. Fay supplies him with a list of repair equipment and cars to be included in the sale. Enzo is keen to retain Fay's customers. He offers her the position of manager of the new repair business if she agrees to sell the whole of the business to him. Fay accepts these terms and agrees that she will not work for a similar business for a period of three years.

Enzo begins to sell the cars on the list and notices that two are missing from the stock. One is a unique old car. The other is a modern sports car. When Enzo asks Fay about the cars, she tells him she is keeping them. One month later, as the dispute over the two cars continues, Fay tells Enzo that she no longer wants to work for him and immediately leaves to work for another car repair business.

Advise Enzo of the potential equitable and common law remedies he may seek in these circumstances. [25]

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5 In April 2019 AB Ltd (ABL) employs XY Ltd (XYL) to build an arena to host the swimming events at the 2022 International Games in Barchester. They agree a contract price of £60 million and a completion date of 31 May 2022.

By early 2021 work on the building is falling behind schedule. XYL tells ABL that it is in financial difficulties and the arena is unlikely to be completed on time. ABL is worried because it has sold all the tickets for the event and made profitable advertising deals with many companies. It therefore offers XYL an additional £5 million if the arena is completed by 31 May 2022. XYL agrees.

XYL completes the building by 31 May 2022 but ABL refuses to pay the additional payment of £5 million.

Advise XYL whether it has a right to recover the additional payment from ABL under the rules of consideration. [25]

6 One month before her 18th birthday, Asha moves to Melchester to take a job as a tour guide. She rents a room in an apartment block for a period of one year.

As her job involves walking with tourists between historic buildings she is provided by her employer with waterproof clothing and shoes. Asha finds them uncomfortable and old-fashioned and therefore orders on credit a fashionable raincoat and shoes from an online shop.

For her own safety and for communication while she is working, Asha's employer provides her with a mobile phone.

Three months later, however, Asha is unhappy with her work and with the noisy neighbours in her apartment block. She ends her rental agreement still owing her landlord two months' rent. She leaves her job and fails to hand back the mobile phone. She has also not paid her bill from the online shop.

Advise Asha of her legal liability for the three contracts that she has made. [25]

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