Cambridge Assessment International Education

Cambridge International AS & A Level

LAW **9084/32**

Paper 3 Law of Contract **October/November 2023**

1 hour 30 minutes

7199784858

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Answer **three** questions in total:
  Section A: answer **one** question.
  Section B: answer **two** questions.
- 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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Section A

Answer **one** question from this section.

EITHER

1 Henry wants to sell his car. Ian knows this and so writes to Henry on the 23 May offering to buy it. The letter reads: 'I will give you £4000 for the car and no more. If I hear nothing to the contrary from you by 1 June, I will assume the car is mine at that price.' When he receives Ian's letter, Henry doesn't reply as he wants more than £4000 for the car.

On 26 May, Henry posts separate but identical letters to Jane and Kim, offering to sell his car for £5000. On 28 May, they both receive Henry's letter which clearly states, 'any acceptance must reach me at my home address before 1 June'.

On 29 May, Jane writes a letter agreeing to Henry's asking price and goes to her local post office. She pays the postage fee, obtains proof of posting and posts the letter. Although the letter is correctly addressed it never arrives at Henry's home.

On the evening of 31 May, Kim goes to Henry's house and tells him that she will pay the £5000 asking price for the car. Henry tells Kim he will deliver the car to her the following morning and collect payment from her.

Advise Henry of his contractual liability, if any, towards Ian, Jane and Kim in these circumstances. [25]

OR

2 Amy and her family plan to visit Melchester-on-Sea for its annual sailing festival.

On 1 March, Amy books a room at Ben's hotel for the night of 1 August. She immediately sends Ben a deposit of £100 and agrees to pay the balance of £400 when she stays at the hotel.

On the same day, Amy makes a contract with Cody to provide lunch for Amy and her family on board his boat on 1 August, and then take them on a tour around the boats in the bay. The full contract price is £250 which Amy pays immediately.

On 25 July, Ben contacts Amy to tell her that his hotel has been totally destroyed by a fire and that he will not refund her deposit. In addition, he demands that she pay him the balance of £400. Amy refuses to do this and insists he returns her deposit of £100.

Amy thinks that it will now be too difficult to book an alternative hotel room at short notice at such a busy time. She contacts Cody to inform him that, as a consequence of the hotel fire, she will not be visiting Melchester-on-Sea on 1 August. She asks for a refund of her payment of £250 but he refuses.

Advise Amy of her contractual rights and liabilities, in relation to discharge of contract. [25]

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Section B

Answer **two** questions from this section.

3 Justify the view that contract law places limits on the recovery of damages in order to keep liability within acceptable boundaries. [25]

4 Analyse to what extent the potential for injustice caused by the rule in Pinnel's Case has been mitigated by the doctrine of promissory estoppel. [25]

5 Assess whether the controls on exemption clauses are an unjustifiable interference with the principle of freedom of contract. [25]

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