



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Advanced Level

LAW

9084/33

Paper 3 Law of Contract

May/June 2010

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, highlighters, 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.



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** The Unfair Contract Terms Act 1977 and the Unfair Terms in Consumer Contracts Regulations 1999 overlap. This makes the law confusing and thus inaccessible to consumers who need protection.

Critically assess the need for more than one piece of legislation to regulate the use of unfair terms in contracts. [25]

- 2** Offers may be withdrawn at any time up until acceptance.

Discuss the extent to which you agree with this statement and analyse the rules which determine the validity of the withdrawal of an offer. [25]

- 3** The effect of misrepresentation is generally to make a contract voidable. The innocent party may then choose to have it set aside by means of rescission.

(a) Analyse the circumstances when damages might be available in addition to rescission.

(b) Discuss when the right to rescission might be lost when a contract has been induced by a misrepresentation. [25]

Section B

- 4 Imprimo Ltd decide to order a new printing press from Gutenberg GmbH in order to meet an increase in orders for printing from Internet booksellers. The supplier agrees to deliver the machine by the end of February and Imprimo Ltd agree delivery dates for books to its customers based on the machine's expected delivery date. The machine does not arrive until the end of May and by this time a number of customers have cancelled large orders to the total value of £100 000. Imprimo Ltd now try to recover this loss from Gutenberg GmbH, but the supplier argues that (a) the date for delivery was discussed orally but was never written into the contract's terms and that (b) Imprimo Ltd could have leased a similar machine temporarily and reduced the loss that was suffered.

Discuss the legal liability of Gutenberg GmbH for the losses suffered by Imprimo Ltd due to the delayed delivery of the printing press. [25]

- 5 Noah is employed as a trainee accountant by Monroe James plc. The terms of his contract of employment require him to undertake formal training and to take examinations in order for him to qualify as an accountant. The contract provides that the company will pay for the training but that the costs of the training will need to be repaid by Noah if he leaves the company before qualifying or within 5 years of qualifying as an accountant. Noah joins the company when he leaves school at the age of 17 and training is expected to last a minimum of three years.

Critically analyse Noah's legal liability if he leaves this employment (a) after his formal training has commenced but before he reaches the age of 18 or (b) straight after he qualifies at the age of 22. [25]

- 6 Kalib wants to sell his car and writes and posts a letter to his friend Laurence, offering to sell it to him for £2000 and saying that he needs a reply by 30 April. Laurence decides that he would like to buy the car and posts a letter of acceptance on 28 April agreeing to pay the asking price, but Kalib does not receive it until 3 May and Laurence has no proof of posting. In the meantime another friend, Tim, hears that Kalib wishes to sell the car and on 2 May they orally agree a sale for £2100.

Kalib still has the car, but now refuses to sell it to Laurence, saying that his letter arrived too late. Assess Kalib's potential contractual liability towards Laurence and Tim in this situation. [25]

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