

CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education
Advanced Subsidiary Level and Advanced Level

LAW

9084/03

Paper 3 Law of Contract

May/June 2006

Additional Materials: Answer Booklet/Paper

1 hour 30 minutes

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 In the light of modern technology, critically assess the significance today of the postal rule of acceptance to the formation of valid contracts. [25]

2 'The performance of an existing duty is not in itself sufficient consideration to legally enforce a promise.'

With reference to case law, evaluate the apparent truth of this statement. [25]

3 Analyse the circumstances under which common mistake invalidates contracts and critically assess whether English Law deals adequately with problems of mistake when contracts are made. [25]

Section B

- 4 Tatiana and Igor are professional ice skaters who train regularly at Blades Ice Rink in Central London. During an early morning ice-dance training session, they accidentally collide with some ice-cleaning machinery that an employee of Blades Ice Rink has left on the ice. Tatiana breaks her ankle and Igor breaks an arm. The injuries stop them from working as skaters for several months at a cost of £50,000. When they complain to the owners of the ice rink, their attention is drawn to the notice shown below, which is prominently displayed next to the ticket office window in the main entrance.

Blades Ice Rink
**The Owners cannot be held
 responsible for loss or injury
 sustained by users of the rink.**

The same notice is also printed on the back of the ticket received by skaters as they pay to use the ice rink.

Discuss whether the exclusion clause contained in the notice actually formed part of the contract between the skaters and ice rink owners and, if so, whether the owners are liable in contract law for the skaters' lost income. [25]

- 5 Sofia, who is 16 years of age, decides to leave home. She travels to London, where she quickly finds herself a full-time job and a small room in which to live. She is not sure whether the job is something that she wishes to be doing for the long-term and the room is dirty and a long way from work, although it is cheap to rent.

Sofia would like your advice on whether she is bound to give the four weeks' notice to quit (resign) required by the terms of her employment contract and by the three year lease agreement that she has entered into for her apartment. [25]

- 6 Jason is a clothes designer. He signs a contract to work for Georgio for a year. The terms of the contract, which he signs without reading, state that, while working for Georgio:

‘the employee must not work as a designer for any other fashion clothing manufacturer’.

Before the year expires, Georgio discovers that Jason has entered into another design contract with Lauren's Fashion House. Jason argues that he had no idea that there was such a clause in his contract.

Georgio is not interested in trying to obtain compensation for breach of contract; he simply wishes to enforce his contract with Jason and stop him working for Lauren's Fashion House until the year has elapsed.

Advise (i) Jason whether he is bound by the contract and (ii) Georgio of any remedies he may seek to enforce the contract and explain whether any of them are likely to be awarded. [25]

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