



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Advanced Level

LAW

9084/03

Paper 3 Law of Contract

October/November 2008

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 'In creating innominate terms, the Hong Kong Fir decision approaches the effect of breach from the opposite direction to that traditionally adopted by the courts.'

Critically assess this view. [25]

- 2 The general rule is that innocent parties are entitled to such damages as will put them in the position they would have been in if the contract had been performed.

Using case law to support your views, analyse any limitations to this rule. [25]

- 3 The rigid application of the Rule in Pinnel's Case has frequently caused hardship.

Explain the rule and evaluate the extent to which its application has been mitigated by the development of the doctrine of promissory estoppel. [25]

Section B

- 4 Sarah, Emma and Natalie are students at a music academy in London. They are often to be seen playing their instruments in the Covent Garden shopping centre, to entertain shoppers. One day, they have just finished playing when Sarah is approached by her uncle Louis who asks if they would be prepared to play at his daughter's wedding party later in the year. Sarah and her friends decide that this would be a good opportunity for them and agree to do so.

Having played at the wedding, the three girls send Louis an invoice for £300. Louis refuses to pay them, saying that he had not intended the arrangement to be binding, as he was simply giving them a formal opportunity to practise in public.

Using case law, advise the parties concerned whether a valid contract was formed and whether Louis is liable to pay the three girls. [25]

- 5 In July 2004, London Arenas employ Dunny Builders to build an athletics stadium for £500 million. The stadium is required to house the National Athletics Finals in June 2008, so the terms of contract signed by both parties state that the stadium must be completed by 30 April 2008. By June 2007, building work is so far behind schedule that the builders approach London Arenas to explain that they will be unable to complete the stadium on time. London Arenas make it quite clear that it has to be ready and ultimately agree to pay Dunny Builders an extra £50 million to ensure its completion for the National Athletics Finals.

Assuming that Dunny Builders do complete the building project by 30 April 2008, consider the extent of London Arenas' liability to pay them the extra £50 million. [25]

- 6 Ibrahima's house is broken into and a very valuable painting is stolen. He places an advertisement in the London Argus newspaper stating that a reward of £2000 is offered to anyone who provides information that leads to the painting's recovery. The advertisement states quite clearly that the reward must be claimed by 30 October. The painting is spotted in an art dealer's shop window by Didier, a policeman investigating another crime. Didier never reads the London Argus, but is told about the reward by a friend. Didier writes a letter to Ibrahima, claiming the reward and posts it on 28 October, but it does not arrive at Ibrahima's house until 1 November.

Using decided case law, discuss whether or not Didier has any contractual claim on the reward advertised by Ibrahima. [25]

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