



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Advanced Level

LAW

9084/31

Paper 3 Law of Contract

October/November 2011

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 **4** printed pages.



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 A solution is available for every breach of contract.

Analyse the range of common law and equitable remedies available for actions based in contract law and, using suitable examples, critically assess the truth of the above statement. [25]

- 2 The doctrine of equitable or promissory estoppel enables the enforcement of rights under a contract.

Discuss the circumstances which gave rise to the introduction of the doctrine and analyse the extent to which you would agree with this proposition. [25]

- 3 The limitations imposed on the validity of contracts made by minors make it extremely difficult for young people to make their way in the modern world.

Discuss the reasons why the law imposes these limitations and assess the extent to which they need to be revised. [25]

Section B

- 4 Hilary places the following advertisement in the Horse and Rider magazine:

<p style="text-align: center;"><u>FOR SALE</u></p> <p style="text-align: center;">Horse-Riding Saddle. Almost new; still in excellent condition. £500 or near offer. You will not be disappointed!</p> <p style="text-align: center;">Please call 01987 - 654321</p>

Emily sees the advertisement, telephones Hilary and arranges to go and see the saddle at 10 o'clock in the morning.

Hilary also receives a telephone call from Felicity and arranges for her to come to see the saddle at 11 o'clock on the same morning.

Emily arrives as agreed at 10 o'clock, inspects the saddle and tells Hilary that she is interested in buying it for £500 but that she needs to speak to her husband first when they meet for lunch. She offers to pay Hilary £25 if she will keep the offer open to her until 3 o'clock that afternoon. Hilary agrees.

Felicity arrives at 11 o'clock and, having seen the saddle, says that she will give Hilary £500 in cash. Hilary takes her money and Felicity takes the saddle home.

When Emily returns later in the day as arranged, Hilary informs her that she is too late and that the saddle has been sold.

Consider Hilary's potential contractual liability towards Emily and the possible remedies that she might pursue. [25]

- 5 Mercedes breeds pedigree dogs. She has a contract with K9 Petfoods for the supply of food for her dogs and she normally buys enough for a month. The contract states that Mercedes must inform the supplier of any problems with either the quantity or quality of dog food supplied within 10 working days of delivery and that the supplier's liability is limited to the contract price paid for the relevant delivery of supplies. Mercedes has recently taken delivery of supplies for two months, costing £1000.

Three weeks later, she finds that at least some of the last delivery of dog food is contaminated and three of her dogs, each worth £500, have died having eaten it.

Advise Mercedes as to her right to compensation under the terms of the contract made with K9 Petfoods. [25]

- 6 John is the owner of a small company. Marie works for him as a secretary. Her role requires her to ask John to sign documents and one day she places a small pile of documents in front of him for signature. She tells John that they are to authorise payments to one of the company's suppliers. He signs the documents without reading them. At a later date he discovers that one of the documents that he signed is in fact a guarantee of Marie's bank overdraft.

Consider the extent, if any, to which John is legally bound by the document that he signed to guarantee Marie's overdraft. [25]

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