

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**Advanced GCE**

**LAW**

**2575**

Law of Contract 2

Thursday **19 JANUARY 2006** Morning 1 hour 30 minutes

Additional materials:  
16-page Answer Booklet

**TIME** 1 hour 30 minutes

**INSTRUCTIONS TO CANDIDATES**

- Write your name, Centre number and candidate number in the spaces provided on the answer booklet.
- Answer **two** questions, **one** from Section A and **one** from Section B.
- Read each question carefully and make sure you know what you have to do before starting your answer.
- If you use additional sheets of paper, fasten these securely to the answer booklet.
- Write the numbers to the questions you answer on the front of your answer booklet.

**INFORMATION FOR CANDIDATES**

- The number of marks is given in brackets [ ] at the end of each question or part question.
- The total number of marks for this paper is **100**.
- **All questions should be answered in continuous prose. You are reminded, therefore, that you will be assessed on your ability to organise and present information and arguments logically and coherently, and to communicate clearly and accurately, taking into account grammar, punctuation and spelling.**

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**This question paper consists of 3 printed pages and 1 blank page.**

Answer **two** questions, **one** from Section A and **one** from Section B.

**Section A**

Answer **one** question from this section.

- 1 'The concept of reasonableness in restraint of trade is so wide that any clause is capable of being held valid.'

Discuss the factors applied by the courts when deciding whether a particular restraint of trade clause is valid **and** comment on the balance of interests that the courts are seeking to protect. [50]

- 2 'The many exceptions to the rule that performance of the contract must be both exact and full, may be difficult to apply in real cases.'

Critically discuss the criteria used by the courts to decide whether a contract should be considered as having been performed or breached. [50]

**Section B**

Answer **one** question from this section.

- 3 Sarah owns a small second hand record business. She receives a letter and sales promotion material from Prodisc Ltd claiming to deal in second hand records. She has never heard of the company before but is impressed by the professional presentation of the material. The company offers to sell records on her behalf. In response to this letter Sarah sends a box of records to the company.

A man enters the shop stating that he is a local radio DJ who has a 'Golden Oldies' show on the local radio. The man sounds like the DJ but Sarah has never seen him before. He persuades her, after showing a radio studio pass, to allow him to take some of her records to play on his show in exchange for the promise of radio advertising.

Sarah now discovers that both Prodisc Ltd and the man from the local radio were not as they claimed. Neither can now be found and the goods have been transferred to an innocent third party.

Advise Sarah as to what action she might take either to claim compensation or recover the records. [50]

- 4 Jane decides to have a new fitted kitchen in her house. She sees an advertisement in her local paper by Kitchens Ltd., a company offering a complete fitted kitchen service.

Jane contacts the company and one of its representatives calls to discuss Jane's exact requirements. Jane makes it absolutely clear that it is essential that the kitchen is finished by 28th August. This is because she is planning an anniversary party which cannot take place if the kitchen is not finished on time.

The representative assures Jane that the kitchen will be finished by the due date provided the contract is agreed by 1st July.

In addition the representative says that only environmentally friendly or sustainable material will be used to construct the kitchen.

Jane decides to have the kitchen re-fitted and signs the contract one month later but before 1st July.

Jane now finds that the kitchen will not be finished by 28th August and that many of the materials used are not environmentally friendly or sustainable.

Discuss the application of the principles of misrepresentation and breach to the above situation. (*Do not discuss remedies.*) [50]

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