

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Advanced GCE

LAW

2576

Law of Contract Special Study

Monday **30 JANUARY 2006** Morning 1 hour 30 minutes

Additional materials:
16-page Answer Booklet
Special Study Materials

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 **all** questions.
- 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.**

This question paper consists of 2 printed pages.

You are reminded of the importance of including relevant knowledge from all areas of your course, where appropriate, including the English Legal System.

Answer all questions.

- 1 In Source 1 [page 3 lines 44–47 Special Study Materials] the authors suggest that “The courts’ primary task on interpretation is to ascertain and give effect to the meaning of the words used ... ‘Construction’, on the other hand, is the process whereby uncertainties or ambiguities in a statute are resolved.”

Consider, in the light of the above, the extent to which use of the literal rule and the golden rule, are effective in resolving ambiguities and uncertainties in statutes. [30]

- 2 Discuss the extent to which the decision in *Maritime National Fish Ltd v Ocean Trawlers Ltd* [Source 7 page 6 Special Study Materials] represents a development of the law on frustration. [15]

- 3 In Source 3 [page 4 lines 19–23 Special Study Materials] the author suggests that “if some catastrophic event occurs for which neither party is responsible and if the result of that event is to destroy the very basis of the contract ... then the contract is forthwith discharged.”

Discuss the circumstances in which courts will consider that a contract has been frustrated in the light of the above statement. [25]

- 4 Consider whether the contract has been frustrated and how loss would be dealt with in each of the following situations:

- (a) Maria, a famous singer, has been contracted to sing in front of 100,000 people at a concert to be held in the National Football Stadium in London and has been paid her fee of £500,000 in advance. On the day of the concert a fire destroys the stadium and the concert cannot go ahead. (10)
- (b) Rupinder was going to the concert at which Maria was due to sing. Rupinder booked an overnight stay in the Hotel Stadia, telling the hotel that she had chosen it because it was the closest to the stadium and she also wished to spend the next day shopping in London. Rupinder phoned the hotel when the concert was called off to cancel her booking. Hotel Stadia now wish to claim the cost of an overnight stay, £150. (10)
- (c) Alex has contracted to supply 5000 cases of red wine to Vinole, wine sellers in Zaratonia, a foreign country. Shortly before the wine is due to be shipped, the Zaratonian government pass a law making the sale of alcohol in Zaratonia illegal. Alex had already spent £5,000 in packaging and storing the wine ready for shipping. (10)

[30]