

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Advanced GCE

LAW

2574

Law of Contract 1

Monday

19 JUNE 2006

Afternoon

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 of 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 (50 per question)**.
- **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.

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

Section A

Answer one question from this section.

- 1 'The different approaches taken to classifying terms lead to uncertainty.'

Discuss the accuracy of this statement.

[50]

- 2 'The presumptions relating to an intention to create legal relations serve an important purpose in the formation of a contract.'

Discuss the law relating to legal intent, in the light of the above statement.

[50]

Section B

Answer one question from this section.

- 3 In April Damian agrees with Great Gardens that they will landscape his garden. The work is to be finished by the end of June as he wants to hold his daughter's wedding reception there in July. Great Gardens inform Damian at the beginning of June that they are short of workers and money and will not be able to complete the work by the agreed deadline. Damian agrees to pay an extra £1000 to Great Gardens to complete the work on time.

Damian also agrees with Careful Caterers that they will provide food and a waitress service for the reception for an agreed fee. On the day of the wedding Careful Caterers arrive to carry out these tasks. While Damian and his family are at the wedding service, Careful Caterers decide to decorate the house and marquee with bouquets of flowers and balloons. After several glasses of champagne Damian, delighted with the work, promises to pay £200 to Careful Caterers for this service on top of the original fee.

Advise Damian whether he is obliged to pay the extra £1000 to Great Gardens and the extra £200 to Careful Caterers.

[50]

- 4 Freya meets Georgia at a party and asks her if she would be prepared to sell her car for £5000. Georgia tells Freya that she believes that it is worth £7000. Freya then e-mails Georgia saying, 'I'm prepared to pay £6000 for the car. If I hear no more from you I will assume that it is mine at this price and will pick it up next week.' Freya hears no more, so calls at Georgia's house the following week to collect the car. Georgia does not wish to sell it.

Freya sees an advertisement in the window of Travel Far, a local travel agent. This states that the first ten people booking a holiday to Iceland through Travel Far will receive a travel-pack of meal vouchers, maps and guidebook. Freya is pleased to be told that she is the third person to book a holiday to Iceland through Travel Far, but she does not receive the travel-pack.

Freya also contacts, via the internet, a company called Just Bags and places an order for a rucksack for her holiday. Freya pays on-line and receives an acknowledgement from Just Bags by e-mail. Freya immediately regrets her shopping on impulse and no longer wishes to go ahead with the purchase. She therefore sends an e-mail to Just Bags saying that she has changed her mind about ordering the rucksack, but Just Bags reply saying that they have already posted it.

Advise Freya concerning her dealings with Georgia, Travel Far and Just Bags.

[50]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (OCR) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.