

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Advanced GCE

LAW

2576

Law of Contract Special Study

Wednesday **21 JUNE 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 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**.
- **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 *Magor & St Mellons v Newport Corporation* Lord Simonds condemned the approach of Lord Denning of ‘filling in the gaps and making sense of the enactment’ as ‘a naked usurpation of the legislative function.’” [Source 1 page 3 lines 60–62 Special Study Materials].

Discuss the use of a purposive approach to statutory interpretation in the light of the above statement. [25]

- 2 Discuss the extent to which the decision in *Herne Bay Steamboat Co. v Hutton* [Source 5 page 5 Special Study Materials] can be said to be a fair development of the law. [15]

- 3 In Source 10 [page 7 lines 10–13 Special Study Materials] the author suggests that “*The decision in the Chandler case that the ‘loss lies where it falls’ clearly could produce extremely harsh consequences for the parties. The position was no less satisfactory for the reason that the effects on the parties were completely unpredictable.*”

Discuss the ways in which the **courts** and **statute** have dealt with the potential unfairness within the doctrine of frustration in the light of the above statement. [30]

- 4 Consider whether a claim of frustration would be barred in each of the following situations and the consequences:

(a) Chris, a lecturer, has contracted to write a book for Bona Fide Publishers for a fixed fee of £1,000. After the contract was formed Chris realised that the project would take much longer to research than he anticipated. Chris’ employers have now asked him to speak at a series of conferences that would help him gain promotion. He intends to do these as the book will be so difficult to write and he cannot do both. Bona Fide Publishers paid Chris £100 in advance. (10)

(b) Nijar had contracted to run a liquor off-licence in a store owned by Speedy Shop. He already has three off-licences of his own. He is then only granted three licences and he uses all three on his own shops. Speedy Shop has spent £5,000 fitting out the shop for the off-licence. (10)

(c) Uri, a professional singer, has contracted with Popcelebs to sing at a concert. When he signed the contract he knew that he might be recalled to his own country to join the army as war with another country was possible. Now Uri has been enlisted in his country’s army and cannot complete the contract. He was paid £50,000 in advance of completing the contract. (10)

[30]

Copyright Acknowledgements:

Source 1. © pp. 62–3, 75–6, 34–6, 42 & 218–9 from ‘Walker and Walkers English Legal System’; edited by Ward, Richard & Wragg, Amanda (2004); Oxford University Press.

Source 10. © Paul Richards; *Law of Contract*, 5th Edition; pp. 314–315; 2002; Pearson Educational.

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