

ADVANCED GCE UNIT

2574

LAW

Law of Contract 1

MONDAY 18 JUNE 2007

Afternoon

Time: 1 hour 30 minutes

Additional materials: Answer Booklet (16 pages)



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.
- 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 document 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 'It appears at times that the 'rules' of consideration have developed more by the chance of a case arising than by design.'

Discuss the extent to which the 'rules' of consideration are fair and effective in the light of the above statement. [50]

- 2 Consider whether there is still a need for courts to identify terms as conditions and warranties, given the increased use of innominate terms. [50]

SECTION B

Answer **one** question from this section.

- 3 Whilst on holiday Jodi loses her bag containing several important items. She places a notice in a nearby shop window, saying that she will give a reward to anyone finding and returning any of the items.

Karl, who is staying at the same hotel as Jodi, finds a wallet in a field. He takes it back to the hotel receptionist, who informs Karl that it probably belongs to Jodi. Karl returns the wallet to Jodi, but is later annoyed to find that a reward was available and feels that he should have been paid.

A week later, Omeed finds some keys in the car park. He remembers seeing the reward notice, but knows that it has now been removed. Nevertheless he takes the keys to Jodi, hoping for a reward. Jodi does not pay Omeed, saying that the removal of her notice has ended the arrangement.

One month later Patsy finds a bracelet. At home, Patsy's sister tells her that the notice is no longer in the shop window, but Patsy says that she will return the bracelet anyway, feeling sorry for Jodi, but also hoping for a reward.

Consider whether Jodi is obliged to pay the reward money to Karl, Omeed, or Patsy. [50]

- 4 Tom invites two friends, Dick and Harriet, to a meal. Tom is to provide the main course, Dick will bring the dessert and Harriet will provide the drinks. Dick and Harriet arrive but find that although they have brought their contribution, Tom has not provided the main course.

The friends decide that they will have a pizza in place of Tom's food, so they order one from Pizza Palace where they have seen an advertisement stating that free garlic bread will be delivered with each pizza order. When the pizza arrives the delivery girl says that they do not have any garlic bread that evening.

The three friends then decide to enter the lottery together, each paying £1 and choosing some numbers. They agree that they will share any prizes equally. They are lucky and have four winning numbers, but when Tom collects the prize money he decides to keep it for himself.

Consider whether any of the situations above would be seen as **intending** to form a legal relationship. [50]

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