

ADVANCED GCE UNIT

2576

LAW

Law of Contract Special Study

THURSDAY 21 JUNE 2007

Morning

Time: 1 hour 30 minutes

Additional materials: 16-page Answer Booklet
Special Study Materials



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 document 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 64-66 Special Study Materials] the author suggests that “...it is a truism that hard cases make bad law and the courts have, from time to time, been prepared to assume the authority to supply omissions left by the legislature.”

Consider the accuracy of the above statement in relation to decided cases using the literal rule **and** using the golden rule. [30]

- 2 Discuss the significance of the decision in *Chandler v Webster* [Source 10 page 7 Special Study Materials] to the development of the law on frustration. [15]

- 3 In Source 8 [page 6 lines 14-15 Special Study Materials] Lord Radcliffe states that “...it is not hardship or inconvenience or material loss itself which calls the principle of frustration into play.”

Discuss the circumstances in which courts will reject a claim that a contract is frustrated in the light of the above statement. [25]

- 4 Consider whether the contract has been frustrated and how loss would be apportioned in each of the following situations.

(a) Stewart has contracted to supply five million cartons of cigarettes to Ashcan, tobacco wholesalers in Zotonia, a foreign country. Shortly before the cigarettes are due to be shipped, the Zotonian government passes a law making the sale of cigarettes illegal in Zotonia. Stewart has paid a £1,000 non-returnable deposit to the carriers. (10)

(b) Pedro, an expert in old shipwrecks, contracts with the Maritime History Club (MHC) to give a lecture on ‘Deep Sea Treasure Finds’ and is paid his fee of £500 in advance. On the day before the lecture Pedro suffers a nervous breakdown and is unable to attend and there is no similar expert. MHC wishes to recover the £500. (10)

(c) Richard paid £100 in advance for a ticket for entry to the horse racing at the Woolheanton Race Track. Richard had told the manager who sold him the ticket that he particularly wanted to see two shire horses that were to be paraded there. The night before the meeting Richard saw on the news that the shire horses had been killed in a crash while being transported to the event. Richard has now asked the Woolheanton Race Track for return of his £100. (10)

[30]

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