

ADVANCED GCE**LAW**

Law of Contract Special Study

G156

Candidates answer on the Answer Booklet

OCR Supplied Materials:

- 16 page Answer Booklet
- Clean copy of the Special Study Materials

Other Materials Required:

None

Friday 25 June 2010**Morning****Duration: 1 hour 30 minutes****MODIFIED LANGUAGE****INSTRUCTIONS TO CANDIDATES**

- Write your name clearly in capital letters, your Centre Number and Candidate Number in the spaces provided on the Answer Booklet.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully and make sure that you know what you have to do before starting your answer.
- Answer **all** the questions.
- Write the numbers of the questions you answer on the front of your Answer Booklet.
- Do **not** write in the bar codes.
- You are reminded of the importance of including relevant knowledge from **all** areas of your course, where appropriate, including the English Legal System.

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 **80**.
- Candidates are reminded of the need to write legibly and in continuous prose, where appropriate. In answering questions **1** and **2** you will be assessed on the quality of your written communication and your use of appropriate legal terminology (QWC). These questions are marked with an asterisk (*).
- Candidates are reminded that they are able to use the information given in the sources to support their own knowledge and understanding, evaluation, analysis, and application of the law. Where candidates wish to extract from the source in this way they should use quotation marks or accurately cite lines of the source. Candidates who merely 'lift' information from the source materials without using it to support further knowledge, evaluation, analysis or application, will receive little or no credit. You are expected to demonstrate understanding of the area(s) of law and the development of law and to use legal methods and reasoning to analyse legal material, to select appropriate legal rules and apply these in order to draw conclusions.
- This document consists of **4** pages. Any blank pages are indicated.

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

In answering questions use the source materials **and** your knowledge of the subject.

Answer **all** questions.

- 1* Discuss the significance of the decision in the case of *Olley v Marlborough Court Hotel Ltd* [Source 2 page 3 Special Study Material] to the development of the law on exclusion clauses in contracts. **[16]**

- 2* In Source 5 [page 6 lines 1-2 Special Study Material] Sylvia Elwes suggests that “*The principle of freedom of contract would dictate that the terms of a contract should stand in their entirety*”.

Discuss how accurately the above statement reflects the development of judicial and statutory controls on the use of exclusion clauses in consumer contracts. **[34]**

- 3 Consider whether a court would enforce the terms of a contract in the following situations (do not refer to the Unfair Contract Terms Act 1977):

(a) Alice contracts with Cleanitall to clean her armchairs. She reads the contract before signing it. She is worried by a term stating that ‘Cleanitall accept no liability for damage to furniture, howsoever caused’. The salesman assures Alice that this only refers to buttons and frills attached to furniture, and since her furniture does not have any there is no problem. The cleaning causes bad chemical stains to the armchairs. Cleanitall are refusing to compensate Alice for the cost of new armchairs. **(10)**

(b) Baljit buys a cup of coffee for £1 from a vending machine on a railway station. A cup comes out, but there is nothing in it. Baljit complains but the station manager directs her to a small notice on the side of the vending machine. It reads ‘See terms and conditions’. The station manager then shows her a booklet containing the terms of the contract, which reads ‘the proprietor accepts no liability for loss of money if the vending machines are empty at any time’. The station manager refuses to give Baljit her £1 back. **(10)**

(c) Carlo is moving house but cannot move into his new house for two months. He contracts with Dabhand Storage to store his household possessions in Dabhand’s warehouse. Carlo signs a risk note attached to the contract. It reads ‘Dabhand Storage accept no liability for damage to property caused by fire’. Through the negligence of one of Dabhand Storage’s employees the warehouse burns down. Carlo’s property is destroyed. Dabhand Storage is refusing to reimburse Carlo for his loss. **(10)**

[30]

[Total marks 80]

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