



GCE A level

484/01

LAW – LW4

OPTION 01

CONTRACT AND CONSUMER LAW

A.M. MONDAY, 16 June 2008

1½ hours

ADDITIONAL MATERIALS

In addition to this examination paper, you will need a 12 page answer book.

INSTRUCTIONS TO CANDIDATES

Candidates are required to answer **two** out of **four** questions.

INFORMATION FOR CANDIDATES

Each question carries 25 marks.

Candidates are reminded of the need for good English and clear presentation. All questions should be answered in continuous prose. The quality of written communication will be assessed in all answers.

Option 01 Contract and Consumer Law

Answer **two** out of the **four** questions.

Read all the sources carefully before answering the questions based upon them.

1. Alf, a dealer in rare books, obtains a rare and valuable book on Ancient History. He decides to give two of his regular customers, Colin and Diana, the opportunity to purchase it and writes individually to them telling them of this unique offer. He states in both letters that he is prepared to sell the book for £1,000 and asks them to telephone him no later than 25 May if they are interested.

Colin replies by email on 25 May, saying “I agree to pay £1,000, as long as you supply, with the book a certificate stating that it is genuine.” Diana posts a letter on 24 May which states, that she wishes to purchase the book for £1,000. Although correctly addressed, Diana’s letter is delayed in the post and does not reach Alf until 26 May.

By the time Alf receives Diana’s letter, he has already sent the book to Colin with a covering letter stating that he cannot supply the certificate which Colin asked for.

Discuss the legal position.

[25]

2. Anabelle, who runs a taxi business, telephoned Bob and agreed on the telephone for Bob to collect and valet one of her cars. Anabelle had made a similar arrangement on several occasions with Bob. When Bob arrived, he handed Anabelle his standard terms of business which contained the following clause:

“Liability for any damage to any vehicle, whilst its being cleaned, however caused, is limited to £5. Customers wishing to obtain the Deluxe Service with unlimited liability, must obtain details and discuss the contract price.”

During the course of cleaning the car, Bob negligently set fire to the car. Bob tells Anabelle that he only has to pay her £5.

Advise Anabelle.

[25]

3. On 11 November 2006, Dodgy Car Sales Ltd sold Robert a second-hand Rover car for £7,000. During the negotiations for the sale, Robert was informed by William, who was an employee of Dodgy Car Sales Ltd, that the engine was as “good as new” and had done only 4,000 miles.

Six months later having driven the car for 1000 miles, Robert took the car to another garage for repair. He was then informed that the engine had done 80,000 miles, that it was worn out and that it would cost over £6,000 to replace. He was advised that it was unsafe to drive. Robert needed a car to go to work so he hired a replacement car at £150 per week rental cost.

Advise Robert as to his civil remedies.

[25]

4. Danielle wanted to buy some furniture which cost £1500 for her new home. As she did not have sufficient cash to purchase the furniture, she entered into a hire purchase agreement with the shop, Classy Furnishings Ltd. Under the terms of the agreement dated 1 November 2005, she paid a deposit of £300 and agreed to pay the balance by twelve monthly instalments of £250 starting on December 1 2005. In June 2006, Danielle was made redundant from her job and could not afford to pay the instalment due on 1 July 2006.

Three months later, Manfred, a driver employed by Classy Furnishings Ltd, knocked at Danielle's door and when she opened it, Manfred forced his way into the house and removed the furniture bought from the shop.

Advise Danielle as to her legal remedies.

[25]