



**GCE A level**

1253/01

**LAW – LA3**

**UNIT 3: UNDERSTANDING SUBSTANTIVE LAW  
FREEDOM, THE STATE AND THE INDIVIDUAL  
OPTION 1: CONTRACT AND CONSUMER LAW**

A.M. WEDNESDAY, 22 June 2011

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** questions.

**INFORMATION FOR CANDIDATES**

Use black ink or black ball-point pen.

Each question carries 25 marks.

The number of marks is given in brackets at the end of each question or part-question.

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.

*You are reminded of the importance of including knowledge from all areas of the course where appropriate including the Legal System of England and Wales. Part (b) of each question will test understanding of the connections between the different elements of the subject.*

**Option 1: Contract and Consumer Law**

*Answer two questions.*

**1.** Study the text below and answer the questions based on it.

John is the owner of a restaurant. There have been complaints from customers about cleanliness and John has been informed that Trading Standards Officers from the local authority are to visit the restaurant. He is afraid that they will order it to be closed and he agrees with Ellen, the cleaner, that Ellen will turn up on time on the day of the visit and clean the restaurant properly. In return, John agrees to pay Ellen £100 in addition to her usual wage and to allow Ellen to repay a debt of £1,000 which she owes him personally in ten monthly instalments of £100 and to forego interest in the debt.

The visit of the Trading Standards Officers passes off successfully but John refuses to pay Ellen the promised £100. Moreover, the next day he commences proceedings for recovery of the £1,000 debt and interest.

(a) In the light of reported case law and other sources of law, advise John. [14]

(b) Explain the available sources of assistance for John in funding his litigation. [11]

**2.** Study the text below and answer the questions based on it.

Carl entered into negotiations with Nick for a seven year lease of Nick's iron ore mine, having been assured by him that there was at least seven years supply of ore in the mine. This assurance was not set out in the lease. Carl informed Nick that he wanted to export the ore to an Indian steel producer, who required good quality iron ore. Nick made no reply.

The lease was entered into and Carl took possession of the mine, installing the necessary machinery at considerable expense. He soon discovered that the mine contained three years supply of iron ore, which was impure and therefore not suitable for steel production. As a consequence, the Indian steel producer cancelled his contract with Carl, resulting in considerable loss of profit for Carl.

(a) In the light of reported case law and other sources of law, advise Carl as to whether there was a misrepresentation. [14]

(b) Explain the importance of statutory interpretation to the above scenario. [11]

3. Study the text below and answer the questions based on it.

On Friday 23<sup>rd</sup> July 2010, Meryl, a house-owner phoned Keith a local builder and asked him to build her a boundary wall for her house. Keith said that he would do the job for her for no less than £10,000. Meryl thought that his price was too high and she told Keith that she would need a few days to think things over.

On Monday, 26<sup>th</sup> July 2010, Meryl phoned Keith and left a message on his answering machine stating that she would give the job to Keith if he could reduce the price to £9,000. Later that evening she changed her mind and wrote a letter to Keith which she immediately posted second class confirming she would pay him £10,000.

On Tuesday morning, Keith returned to his office and played the telephone answering machine and he decided that he would accept Meryl's offer of £9,000 for the job. He immediately wrote to her confirming his acceptance. On Wednesday Keith received Meryl's letter and on Thursday, Meryl received Keith's letter.

- (a) In the light of reported case law and other sources of law, advise Keith. [14]
- (b) Explain the significance of the Doctrine of Precedent in the above scenario. [11]

4. Study the text below and answer the questions based on it.

John is a sports car enthusiast. His hobby is to take part in UK national racing competitions and by November 2009 he had finally saved up £50,000 to commission from Car Designers Ltd a purpose built sports car with a revolutionary engine. The contract for sale was made on the basis of the standard terms of Car Designers Ltd which included the following clauses:

- “(i) Car Designers Ltd hereby exclude all liability for negligence in the construction of the car;
- (ii) Car Designers Ltd further limit liability, if any, to a maximum of £5,000.”

John signed the contract but deleted the reference to £5,000 in (ii) and substituted the sum £10,000.

John entered his first race with the car in June 2010. Unfortunately during the race the car veered off the course and crashed due to a design fault in the steering, John suffered a broken arm and shoulder. The car was a write-off.

- (a) In the light of reported case law and other sources of law, advise John. [14]
- (b) Explain the influence of European law as a source of law in the above situation. [11]