



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. FRIDAY, 17 January 2014

1 hour 30 minutes

ADDITIONAL MATERIALS

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

INSTRUCTIONS TO CANDIDATES

Use black ink or black ball-point pen.

Answer **two** questions.

INFORMATION FOR CANDIDATES

Each question carries 25 marks.

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

You are reminded that assessment will take into account the quality of written communication used in your 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.

Alison decided to sell her rare penny black postage stamp. On Tuesday she wrote to Benny who she knew had always wanted it, telling him that he could buy it for £25,000 and that the offer would remain open until Saturday. Benny wanted to buy the stamp but did not reply immediately because he was unsure that he could afford it. On Wednesday morning, Alison sold the stamp to Carys for £26,000. On Wednesday afternoon, Benny heard at a meeting of stamp collectors that Carys had bought a rare penny black stamp. This made him even more enthusiastic to buy a penny black stamp so he hurried home and posted a letter to Alison saying that he would buy the stamp for £25,000. Whilst the letter was posted, the sorting office lost the letter and it did not reach Alison until four weeks later.

- (a) In the light of reported case law and other sources of law, advise Benny. [14]
- (b) Explain the role of law reform bodies. [11]

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

Suzanne is a manufacturer of specialised machine tools. She contracted with Clair to supply her with a new machine to use in her factory based in Cardiff. Suzanne's goods are so specialist that she has a full order book and her goods are always in high demand. The new machine that Clair agreed to supply to Suzanne would increase her capacity to produce her goods. However, Clair was late in delivering the machinery and during the delay, Suzanne could have taken on an unusually profitable contract if she had had the additional capacity. Because of the specialist nature of her machine tool business, Suzanne could not find a means of meeting the demands of the extra contract. She had however included a clause in the contract with Clair stating that Clair would pay her £10,000 per day for every day that she was awaiting delivery of the machine. Suzanne's normal profit is £2,000 per day and would have been £4,000 per day under the unusual contract which she has now failed to deliver.

- (a) In the light of reported case law and other sources of law, advise Suzanne. [14]
- (b) Explain the means available for Suzanne, outside of litigation, to resolve this dispute. [11]

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

Ann wanted to purchase a piece of antique furniture. She went to Keith's shop which was world renowned for selling antique furniture. She saw a cupboard which she particularly liked. It had only come in that morning and Keith's new assistant, Ian, who had never worked in an antiques shop before had brought it into the main showroom of the shop. Ann asked Keith if she could see the cupboard and examine it. She said that she liked the cupboard but would only buy it if it was a genuine antique. Although Keith had not examined the cupboard properly, he assured her that in his opinion it was a 17th century antique cupboard. In fact, the cupboard is a late 20th century reproduction. Ann has now discovered this to be the case and the cupboard is worth less than 10% of the price that she paid for it. Furthermore, had the cupboard been genuine it would now be worth more than twice the price that she paid for it.

- (a) In the light of reported case law and other sources of law, advise Ann. [14]
- (b) Explain the role of statutory interpretation in the development of law. [11]

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

Steven contracted to purchase an Elite Z motorbike from Julie. He wanted to use the motorbike immediately and she agreed to let him have it if he would pay her four instalments of £3,000 every three months for twelve months. After nine months, Steven unfortunately lost his job. Julie felt sorry for Steven and told him that if he paid £1,500 on time by the end of the twelve month period, she would not ask for more. Steven paid the £1,500 on time but since this time Julie has heard that Steven has found a new job and she is insisting that he pay her the remaining £1,500.

- (a) In the light of the reported case law and other sources of law, advise Steven. [14]
- (b) Explain the role of the doctrine of precedent. [11]

END OF PAPER