

OXFORD CAMBRIDGE AND RSA EXAMINATIONS

Advanced GCE

LAW

2576

Law of Contract Special Study

Wednesday

22 JUNE 2005

Morning

1 hour 30 minutes

Additional materials:

16-page Answer Booklet

Special Study Materials

TIME 1 hour 30 minutes

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.

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 question paper 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 52–53 Special Study Materials] the author suggests that the main problem with statutory interpretation is that “the intention of Parliament must be established primarily from the words used by Parliament.”

Compare the literal and purposive approaches to statutory interpretation in the light of the above statement. [30]

- 2 Discuss the extent to which the decision in *BP Exploration Co (Libya) Ltd v Hunt (No 2)* [Source 12 page 9 Special Study Materials] can be said to represent Parliament’s intention in the Law Reform (Frustrated Contracts) Act 1943. [15]

- 3 In Source 7 [page 6 lines 7–9 Special Study Materials] Lord Wright refers to the judgment of Lord Sumner in *Bank Lines Ltd v Arthur Capel and Co* where he says: “it is now well settled that the principle of frustration of an adventure assumes that the frustration arises without blame or fault on either side. Reliance cannot be placed on a self-induced frustration.”

Discuss the circumstances in which a party will be unable to claim that an event has frustrated a contract in light of the above statement. [25]

- 4 Consider whether it could be claimed that the contract has been frustrated in each of the following situations:

(a) Alan has contracted to play professional football for Chazra Football Club in Ruritania, a foreign country. Before Alan joins the club the UK declare war on Ruritania and all UK nationals are prevented from travelling to Ruritania. Alan has already received a £500,000 signing on fee. (10)

(b) Peter, the owner of Chudsea United Football Club, plans to watch the next Littleshire Football Club home match, as he is keen to sign Littleshire’s goalkeeper. He contracts with the Littleshire Posh Hotel to stay overnight after the game, and pays a £200 deposit. Two days before the match Littleshire FC sell their goalkeeper. Peter phones the hotel to cancel his hotel room and demands that his deposit is returned. (10)

(c) James has contracted to play in an all stars team in an exhibition football match celebrating the anniversary of the first international between England and Turkey. He is to be paid a fee of £50,000 after the game. On the day of the game an earthquake destroys the stadium and the game is called off. (10)

[30]