

**OXFORD CAMBRIDGE AND RSA EXAMINATIONS  
ADVANCED GCE**

**G155**

**LAW**

**Law of Contract**

**THURSDAY 17 JUNE 2010: Afternoon**

**DURATION: 2 hours**

**SUITABLE FOR VISUALLY IMPAIRED CANDIDATES**

**Candidates answer on the Answer Booklet**

**OCR SUPPLIED MATERIALS:**

**16 page Answer Booklet**

**OTHER MATERIALS REQUIRED:**

**None**

**READ INSTRUCTIONS OVERLEAF**

## **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 THREE questions, ONE from Section A, ONE from Section B and ONE from Section C.**
- **If you use additional sheets of paper, fasten these securely to the Answer Booklet.**
- **Write the numbers of the questions you answer on the front of the Answer Booklet.**
- **When answering the following questions you are required to demonstrate some synoptic thinking. In Section A this is achieved by relevant reference to precedent and/or statutory materials including the development of law and comments on justice or morality where appropriate. In Section B this is achieved by relevant use of precedent and/or statutory materials in the application of legal reasoning to given factual situations, including comment on the justice or morality of the outcome where appropriate. You are not required to demonstrate synoptic thinking in Section C.**

## **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 120.**
- **Candidates are reminded of the need to write legibly and in continuous prose, where appropriate. In answering SECTION A and SECTION B questions 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 (\*).**

**Answer THREE questions.**

**ONE from Section A, ONE from Section B and ONE from Section C.**

**You are advised to spend 50 minutes on Section A, 50 minutes on Section B and 20 minutes on Section C.**

### **SECTION A**

**Answer only ONE question from this section.**

- 1\* ‘The rules on acceptance and revocation of unilateral offers lack clarity. This means that when a dispute arises parties are unable to predict the outcome.’**

**Critically evaluate the accuracy of this statement. [50]**

- 2\* ‘The courts have little sympathy for a party who claims that they are unaware of the terms on which they have contracted.’**

**Discuss the extent to which it is true that any written statement of terms will be incorporated into a contract, in light of the statement above. [50]**

- 3\* Discuss the view that the criteria for claiming economic duress are clear but they give a large amount of discretion to the judge in the way that they are applied. [50]**

## **SECTION B**

**Answer only ONE question from this section.**

- 4\* Dan booked and paid for a course in surfing after seeing an advert in a magazine. The course was to take place at High Roller Beach. There is a beach with that name five miles from his home. When he arrived for the course there was no-one there. In fact, the course was being held at another High Roller Beach 100 miles away. Dan could not get to the other beach in time and did not receive any surfing tuition.**

**Dan also bought a camera from a local shop for £400. He mentioned that he wanted to use it for high speed action shots. The sales person was aware that it was not suitable for this but said nothing.**

**Dan also made a contract on the internet for a flight to Australia. The flight was available for £100 but this was a mistake; the price should have been £1000. Although he was sent an email confirming the booking, later on he received an email informing him that there had been a mistake and that he could not have the flight.**

**Advise whether Dan is entitled to his money back from the surfing course, to his money back for the camera, and to the flight for £100. [50]**

**5\* Carlo contracts with Burly Builders to work on his house. Daisy, his neighbour, gives violin lessons in the evening, so Carlo makes it a term of the contract with the builders that 'all work should finish by 5.00 pm so that neighbours are not affected by noise'. In fact Burly Builders frequently work until 7.00 pm and on several occasions Daisy has had to abandon her lessons due to the noise.**

**To apologise for the disturbance Carlo buys tickets to take Daisy to see a concert at the Royal Theatre. Unfortunately the theatre has sold too many tickets for the concert, and Carlo and Daisy are unable to see the performance. Daisy is very upset about this.**

**When planning the work on his house, Carlo was visited by a representative of Garden Roofs who said that a plant covered roof would be perfect for his house. He asked the builders to use one of these roofs and they did so, purchasing the roof from Garden Roofs themselves. However, the roof turned out to be unsuitable and within a short time it had to be replaced.**

**Advise whether Daisy can successfully claim directly against the builders for loss of earnings, and against the Royal Theatre for disappointment, and whether Carlo would be successful if he sued Garden Roofs for compensation. [50]**

**6\* Zack is a singer who performs live music regularly. He hires Alvin as a guitarist to play while he sings. Alvin has broken his arm in an accident and will be unable to play the guitar for three months. Alvin has been paid in advance for the remainder of the month.**

**Brigid is the owner of a restaurant where Zack is booked to play. However, Zack has just been invited to play at a special awards ceremony on the same evening, and is unable to play at both venues.**

**Claude is the owner of a hotel on an island where Zack has been booked to play the following week. Normally the island is accessed by a bridge. However, the bridge has recently been destroyed in a flood and the only way to access the island is by helicopter which Zack cannot afford.**

**Advise whether Zack is entitled to treat the contracts with Alvin, Brigid and Claude as frustrated and any consequences that may apply. [50]**

## SECTION C

Answer only ONE question from this section.

- 7 Olga has agreed to sell her boat to her neighbour, Ricardo, for a very low price. Ricardo has been a family friend for five years and has given her advice on investments in the past. She has also agreed to sell her car to Bobbie, her doctor. Olga's husband, Justin, said he would leave her unless she sold him some shares in a family company.

Evaluate the accuracy of EACH of the four statements A, B, C and D individually, as they apply to the facts in the above scenario.

STATEMENT A: There will be a presumption of undue influence between Olga and Ricardo.

STATEMENT B: Olga is unlikely to be able to claim undue influence against Bobbie unless he has been her doctor for a long time.

STATEMENT C: Olga is unlikely to be able to claim undue influence against Bobbie if he pays her a fair price for the car.

STATEMENT D: If Justin pays Olga a fair price for the shares the contract will be binding on her. [20]



**8 Jenna owns a factory that manufactures spare parts for cars. Until recently she employed Alec as a financial director, Branco as an IT technician and Cecilia as a customer support worker. All three of the employees have recently left Jenna's employment and now wish to start working for competing companies. Jenna wishes to enforce terms in their contracts, which prevent them from doing so for one year.**

**Evaluate the accuracy of EACH of the four statements A, B, C and D individually, as they apply to the facts in the above scenario.**

**STATEMENT A: Jenna has a legitimate interest in restraining Alec from working for another firm.**

**STATEMENT B: In Alec's case, one year is probably too long but the court can change it to six months.**

**STATEMENT C: Jenna has a legitimate interest in preventing Branco from using his skills as an IT technician in a rival company.**

**STATEMENT D: It would be reasonable to prevent Cecilia from working as a customer support worker for a rival company within ten miles for one year. [20]**

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