

GCE

Law

Advanced GCE

Unit G156: Law of Contract Special Study

Mark Scheme for June 2012

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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Annotations

Annotation	Meaning
СР	Critical point
AP	Analytical point
LC	Linked case
+	Well developedeg CP+
R	Repeat
so	Sort of
2	Irrelevant material
C1, C2 etc	First Case, Second Case etc
C4+	Fourth Case (developed)
	Credited AO1 material
2	Point (AO2)
+	Development (of AO2 point, CP, AP or LC)
LTS	Link to source
P1, P2 etc	Applied Point 1 (Q3)
С	Conclusion

Subject-specific Marking Instructions

Before you commence **marking each question** you must ensure that you are familiar with the following:

- the requirements of the specification
- these instructions
- the exam questions (found in the exam paper which will have been emailed to you along with this document)
- levels of assessment criteria *1 (found in the 'Levels of Assessment' grid at the back of this document)
- question specific indicative content given in the 'Answer' column*2
- question specific guidance given in 'Guidance' column*3
- the 'practice' scripts*4 provided in Scoris and accompanying commentaries
- *1 The levels of assessment criteria (found in the 'Levels of Assessment' grid) reflect the expectation of achievement for each Assessment Objective at every level.
- *2 The indicative content in the 'Answer' column provides details of points that candidates **may** be likely to make. It is **not** exhaustive or prescriptive and points not included in the indicative content, but which are valid within the context of the question, are to be credited. Similarly, it is possible for candidates to achieve top level marks without citing all the points suggested in the scheme.
- Included in the 'Guidance' column are the number of marks available for each assessment objective contained within the question. It also includes the 'characteristics' which a response in a particular level is **likely** to demonstrate. For example, "a level 4 response is likely to include accurate reference to all 5 stages of x with supporting detail and an accurate link to the source". In some instances an answer may not display all of the 'characteristics' detailed for a level but may still achieve the level nonetheless.
- *4 The 'practice' scripts are live scripts which have been chosen by the Principal Examiner (and senior examining team). These scripts will represent most types of responses which you will encounter. The marks awarded to them and accompanying commentary (which you can see by changing the view to 'definitive marks') will demonstrate how the levels of assessment criteria and marking guidance should be applied.

As already stated, neither the indicative content, 'characteristics' or practice scripts are prescriptive and/or exhaustive. It is imperative that you remember at all times that a response which differs from examples within the practice scripts or includes valid points not listed within the indicative content or does not demonstrate the 'characteristics' for a level **may still** achieve the same level and mark as a response which does all or some of this. Where you consider that this to be the case you should discuss the candidates answer with your supervisor to ensure consistent application of the mark scheme.

Awarding Assessment Objectives 1 and 2

To award the level for the AO1 or AO2 (in some units questions may contain both AO1 and AO2 marks) use the levels of assessment criteria **and** the guidance contained within the mark scheme to establish which level the response achieves. As per point 10 of the above marking instructions, when determining which **level** to award start at the **highest*** level and work down until you reach the level that matches the answer.

Once you have established the correct level to award to the response you need to determine the mark within the level. The marks available for each level differ between questions. Details of how many marks are available per level are provided in the Guidance column. Where there is more than one mark available within a level you will need to assess where the response 'sits' within that level. Guidance on how to award marks within a level is provided in point 10 of the above marking instructions, with the key point being that you start at the **middle*** of each level and work outwards until you reach the **mark** that the response achieves.

Answers, which contain no relevant material at all, will receive no marks.

* Remember: when awarding the <u>level</u> you work from <u>top downwards</u>, when awarding the <u>mark</u> you work from the <u>middle outwards</u>.

Awarding Assessment Objective 3

AO3 marks are awarded based on the marks achieved for either AO1, AO2 or in some cases, the total of AO1 and AO2. You must refer to each question's mark scheme for details of how to calculate the AO3 mark.

Question	Answer	Marks	Marks Guidance		
1*	Potential answers may :		AO2 Levels	AO2 marks	
	Accessment Objective 2. Analysis evaluation and	12	5	11-12	
	Assessment Objective 2 – Analysis, evaluation and application		4	9-10	
	application		3	7-8	
	CP Explain the critical point of the case: the House of Lords		2	4-6	
	rejected Esso's argument that there was no contract because		1	1-3	
	Esso had no ITCLR. The majority of the Law Lords found that as this agreement had been formed in a business setting and was designed for Esso's benefit, there should be as a matter of policy a presumption that the parties did have ITCLR. LC Link this case with another relevant case for development such as: Balfour v Balfour, Snelling v Snelling, J Evans & Son (Portsmouth) Ltd v Andrea Merzario Ltd, Rose and Frank Co. v J R Crompton and Bros Ltd. Discuss the case analytically (AP), for example making points such as: AP1 Asserting a presumption in favour of ITCLR in commercial situations is beneficial in policy terms as it places a contractual duty on businesses to perform any promises they make unless they very explicitly make it clear they do not wish for such a liability. AP2 Asserting a presumption in favour of ITCLR in this case was seen as 'just' given the fact that it took place in a business setting and one party was intending to profit through the agreement. AP3 The fact that the majority of the Law Lords found ITCLR despite the fact that the coins were of little intrinsic value shows how strongly they value the presumption in favour of ITCLR in commercial cases. AP4 The application of the 'rules' in this case shows that whilst they may seem simple in theory, they are difficult to apply in practice: both Viscount Dilhorne and Lord Russell of Killowen found that there was no ITCLR in this case. AP5 Any other relevant point.		Marks should be awarde Max 3 marks for the Max 6 marks for Ana Max 3 marks for rele	d as follows: Critical Point (CP)	

Question	Answer	Marks	Guid	ance
	Assessment Objective 3 – Communication and presentation	4		
			AO2 marks	AO3 mark
	Present logical and coherent arguments and communicate		10-12	4
	relevant material in a clear and effective manner using appropriate		7-9	3
	legal terminology.		4-6	2
			1-3	1

Question	Answer	Marks	Guid	ance
2*	Potential answers may:		AO1 Levels	AO1 mark
	Assessment Objective 1 – Knowledge and understanding	16	5	14-16
	Assessment Objective 1 – Knowledge and dilderstanding	10	4	11-13
	Explain the basic rules regarding ITLCR in contract law:		3	8-10
	ITCLR is a necessary condition for the formation of a		2	5-7
	contract (Balfour v Balfour)		11	1-4
	 There is a presumption against ITCLR in family situations, eg: Between husband and wife (Balfour v Balfour; Pettit v Pettit) Between parent and child (Jones v Padavatton) There is a presumption against ITCLR in social situations, eg: Entering into a club's competition (Lens v Devonshire Social Club) Oral agreements between bingo players (Wilson v Burnett) These presumptions can be rebutted where there is objective evidence to the contrary, eg: where married couples or cohabiting couples are separating or separated (Merritt v Merrit; Eves v Eves; Tanner v Tanner; Soulsbury v Soulsbury) where agreements have been recorded in writing (Merritt v Merritt; Errington v Wood) where family members have made an agreement in a business context (Snelling v Snelling) Gambling cases where clear evidence can show an intention to divide the winnings (Peck v Lateu) where reliance has been placed on the agreement (Parker v Clark; Coward v MIB; Simpkins v Pays) There is a presumption in favour of ITCLR regarding commercial agreements (Esso Petroleum v CCE; J Evans & Son v Andrea Merzario Ltd) 		without including 8 relevant provisions. Candidates are both within and beyond the The discussion of cases/stadirect link to cited cases/stasufficient factual material ocitation and to support a discussion and to support a dis	t cases/statutory likely to use material from e source/resource booklet. atutes should include a atutory provision, including nly to ensure accuracy of scussion. unlikely to achieve Level 4 t cases/statutory unlikely to achieve Level 3 t cases/statutory unlikely to achieve Level 2 t cases/statutory unlikely to achieve Level 1 t case/statutory provision. unlikely to achieve Level 5

Question	Answer	Marks	Guida	ance
	 This presumption can be rebutted but requires very clear evidence in order to do so (Edwards v Skyways), eg: where 'honour clauses' have been used (Rose and Frank v Crompton Bros; Jones v Vernons Pools; Appleson v Littlewoods) where 'letters of comfort' have been used (Kleinwort Benson v Malaysian Mining Corporation) agreements 'subject to contract' (Confetti Records v Warner Music UK) collective bargaining agreements (Ford Motor Co v AUEFW) Where an agreement is very vague, the courts may use that vagueness to infer that it was not intended to be binding (Vaughan v Vaughan) 			
	Assessment Objective 2 – Analysis, evaluation and application Discuss the extent to which, if at all, the rules on ITCLR are outdated: With regard to the presumption against ITLCR socially/domestically: The presumption against ITCLR is based on two policy considerations. The floodgates argument remains very persuasive, indeed, in light of likely reductions in public funding, the courts will be increasingly sensitive to caseload. This aspect of the presumption would not seem to be outdated The argument that the law should not readily interfere in the domestic and social spheres of our lives has been argued to be outdated. Balfour v Balfour was decided in the early twentieth century and perhaps reflects profoundly different understandings of the roles of spouses in the family and a less litigious culture more generally	14	5 4 3 2 1	AO2 mark 13-14 10-12 7-9 4-6 1-3

Question	Answer	Marks	Guid	ance
	 It is shown in Source 2 that modern Family Law centres on contract law as its guiding principle Not all modern commentators agree that this aspect of the reasoning in <i>Balfour v Balfour</i> is no longer valid; some argue that it should remain as the basic approach With regard to the presumption in favour ITCLR commercially: The argument that the courts prefer negotiations in commercial situations to take place on a general understanding that agreements are intended to be binding remains a sound argument. Indeed, the law has developed to generally give increasing protection to consumers so this aspect of the rules would not seem to be outdated With regard to the ways in which the presumptions can be rebutted: None of the rules regarding the rebuttal of the presumptions appear to be outdated Discuss the extent to which, if at all, the rules on ITCLR are inconsistently applied:			
	Assessment Objective 3 – Communication and presentation Present logical and coherent arguments and communicate relevant material in a clear and effective manner using appropriate legal terminology.	4	AO1 + AO2 marks 24-30 17-23 9-16 1-8	AO3 mark 4 3 2

Question	Answer	Marks	Guidance			
3	Potential answers MAY:			Level	AO1 marks	AO2 marks
	Assessment Objective 1 – Knowledge and Understanding	10		5	9–10	17–20
	Define the relevant rules and use any relevant cases as			4	7–8	13–16
	authorities for those rules.			3	5–6	9–12
				2	3–4	5–8
	Assessment Objective 2 – Analysis, evaluation and application	20		1	1–2	1–4
	In the case of (a): CP Social/Domestic Situation; Presumption against ITCLR; Balfour v Balfour P1 Extended to parent and child; Jones v Padavatton; P2 Possible rebuttal through 'reliance'; Parker v Clarke; P3 In any event that would arguably only prevent demanding money back – it wouldn't prevent Andre from stopping future payments; Albert v MIB; P4 Any other relevant point C No ITCLR, Andre can stop paying In the case of (b): CP Social/Domestic Situation; Presumption against ITCLR; Balfour v Balfour P1 Can be rebutted due to context of separation; Merritt v Merritt; P2 Can be rebutted due to letter being evidence of serious intent; MvM/Errington v Wood; P3 Possible to argue rebuttal through reliance; Parker v Clarke; P4 Any other relevant point C ITCLR, presumption rebutted, Imogen must pay		Marks follow (should b s: Max 3 mar CP) Max 6 mar Max 1 mar conclusion	e awarded (pe	or (c) 0 8 6 4 2 r scenario) as oints of the problem Points (AP) the most likely

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Question	Answer	Marks	Guidance
	 In the case of (c): CP Commercial Situation; Presumption in favour of ITCLR; Esso Petroleum P1 The courts are reluctant to rebut this presumption; Edwards v Skyways; P2 The courts will require clarity in any attempt to do so; Vaughan v Vaughan; P3 A clear honour clause will rebut the presumption; Rose and Frank; P4 Any other relevant point C No ITCLR, presumption rebutted, Lake Cruises are not bound 		

APPENDIX 1 – Advanced GCE Law Levels of Assessment

There are five levels of assessment of AOs 1 and 2 in the A2 units. The first four levels are very similar to the four levels for AS units. The addition of a fifth level reflects the expectation of higher achievement by candidates at the end of a two-year course of study. There are four levels of assessment of AO3 in the A2 units. The requirements and number of levels differ between AS and A2 units to reflect the expectation of higher achievement by candidates at the end of a two-year course of study.

Level	Assessment Objective 1	Assessment Objective 2	Assessment Objective 3 (includes QWC)
5	Wide ranging, accurate, detailed knowledge with a clear and confident understanding of relevant concepts and principles. Where appropriate candidates will be able to elaborate with wide citation of relevant statutes and case-law.	Ability to identify correctly the relevant and important points of criticism showing good understanding of current debate and proposals for reform or identify all of the relevant points of law in issue. A high level of ability to develop arguments or apply points of law accurately and pertinently to a given factual situation, and reach a cogent, logical and well-informed conclusion.	
4	Good, well-developed knowledge with a clear understanding of the relevant concepts and principles. Where appropriate candidates will be able to elaborate by good citation to relevant statutes and case-law.	Ability to identify and analyse issues central to the question showing some understanding of current debate and proposals for reform or identify most of the relevant points of law in issue. Ability to develop clear arguments or apply points of law clearly to a given factual situation, and reach a sensible and informed conclusion.	An accomplished presentation of logical and coherent arguments and communicates relevant material in a very clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation.
3	Adequate knowledge showing reasonable understanding of the relevant concepts and principles. Where appropriate candidates will be able to elaborate with some citation of relevant statutes and case-law.	Ability to analyse most of the more obvious points central to the question or identify the main points of law in issue. Ability to develop arguments or apply points of law mechanically to a given factual situation, and reach a conclusion.	A good ability to present logical and coherent arguments and communicates relevant material in a clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation.
2	Limited knowledge showing general understanding of the relevant concepts and principles. There will be some elaboration of the principles, and where appropriate with limited reference to relevant statutes and case-law.	Ability to explain some of the more obvious points central to the question or identify some of the points of law in issue. A limited ability to produce arguments based on their material or limited ability to apply points of law to a given factual situation but without a clear focus or conclusion.	An adequate ability to present logical and coherent arguments and communicates relevant material in a reasonably clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation.
1	Very limited knowledge of the basic concepts and principles. There will be limited points of detail, but accurate citation of relevant statutes and case-law will not be expected.	Ability to explain at least one of the simpler points central to the question or identify at least one of the points of law in issue. The approach may be uncritical and/or unselective.	A limited attempt to present logical and coherent arguments and communicates relevant material in a limited manner using some appropriate legal terminology. Reward grammar, spelling and punctuation.

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