



**GCE A level**

1254/01

**LAW – LA4**

**UNIT 4: UNDERSTANDING LAW IN CONTEXT:  
FREEDOM, THE STATE AND THE INDIVIDUAL  
OPTION 1: CONTRACT AND CONSUMER LAW**

A.M. FRIDAY, 22 June 2012

2½ hours

**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 from Section A and **one** question from Section B.

Write your answers in the separate answer book provided.

**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 that this paper contains a synoptic element in Section B and will test understanding of the connections between the different elements of the subject.*

**UNIT 4 : UNDERSTANDING LAW IN CONTEXT**  
**OPTION 1: CONTRACT AND CONSUMER LAW**

**SECTION A**

*Answer **two** questions from this section.*

1. Consider the impact of Human Rights legislation in consumer law. [25]
  
2. Evaluate the significance of damages as a remedy for providing redress in consumer transactions. [25]
  
3. Evaluate the significance of the reforms to consumer protection law brought about by the Enterprise Act 2002. [25]
  
4. Evaluate the extent to which the law promotes good quality as an obligation in the supply of goods to consumers. [25]

**SECTION B**

*Answer one question from this section.*

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

“Consumers are finding it too hard to win compensation for misleading and aggressive trading practices and the law must be reviewed, the Law Commission said today.

Opening a consultation on the matter, the Commission said that routes to redress for ripped-off consumers are ‘difficult’ and ‘far from clear’, and many victims of scams are ‘among the most vulnerable in society’.

It said that reform will be ‘limited and cautious’, but has proposed introducing a new Consumer Act to cover private law actions between consumers and businesses.

Business-to-business transactions will not be covered.

Under the existing law, governed by the Consumer Protections from Unfair Trading Regulations 2008, consumers do not have a right to compensation, and must instead rely on ‘complex’ and ‘confusing’ private law actions, the commission said.

David Hertzell, the Law Commissioner leading on the project for England and Wales, said: ‘The Law Commission believes consumers should have a clear right to redress for misleading and aggressive commercial practices’.

[Source The Law Society Gazette April 2011]

- (a) Explain what is meant by the “complex” and “confusing” private law actions in respect of unfair trading practices. [11]
- (b) Evaluate the options available to the consumer to enforce rights without going to court. [14]

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

“ Do I need a credit licence?

The OFT cannot tell you if you need a licence, or which categories you need.

You are likely to need a credit licence if you:

- Sell goods or provide service on credit
- Hire or lease out goods for more than three months
- Lend money
- Arrange credit for others
- Offer hire purchase terms
- Collect debts or purchase debts
- Help people with debt problems
- Advise people of, or help them find information on, their credit standing
- Administer agreements (but do not collect debts).

Even if you don't charge for your services or are non-profit making, or you don't do these activities all the time, you may still need a licence.

You are not likely to need a credit licence if you are:

- Only planning to accept credit cards issued by other businesses
- Only deal with limited companies.”

[Source: Office of Fair Trading website]

- (a) Explain the role of a credit licence in the development of consumer law. [11]
- (b) Evaluate the role of European law in promoting consumer confidence in the internal market of Europe. [14]