

**Friday 22 June 2012 – Morning**

**A2 GCE LAW**

**G156/01** Law of Contract Special Study

Candidates answer on the Answer Booklet.

**OCR supplied materials:**

- Clean copy of the Special Study Material
- 16 page Answer Booklet  
(sent with general stationery)

**Other materials required:**

None

**Duration:** 1 hour 30 minutes



**INSTRUCTIONS TO CANDIDATES**

- Write your name, centre number and candidate number in the spaces provided on the Answer Booklet. Please write clearly and in capital letters.
- Use black ink. HB pencil may be used for graphs and diagrams only.
- Answer **all** the questions.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write the numbers of the questions you answer on the front of your Answer Booklet.
- You are reminded of the importance of including relevant knowledge from **all** areas of your course, where appropriate, including the English Legal System.
- Do **not** write in the bar codes.

**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 **80**.
- Candidates are reminded of the need to write legibly and in continuous prose, where appropriate. In answering questions **1** and **2** you will be assessed on the quality of your written communication (QWC) including your use of appropriate legal terminology. These questions are marked with an asterisk (\*).
- Candidates are reminded that they are able to use the information given in the sources to support their own knowledge and understanding, evaluation, analysis, and application of the law. Where candidates wish to extract from the source in this way they should use quotation marks or accurately cite lines of the source. Candidates who merely 'lift' information from the source materials without using it to support further knowledge, evaluation, analysis or application, will receive little or no credit. You are expected to demonstrate understanding of the area(s) of law and the development of law and to use legal methods and reasoning to analyse legal material, to select appropriate legal rules and apply these in order to draw conclusions.
- This document consists of **4** pages. Any blank pages are indicated.

You are reminded of the importance of including relevant knowledge from **all** areas of your course, where appropriate, including the English Legal System.

In answering questions use the source materials **and** your knowledge of the subject.

Answer **all** questions.

1\* Discuss the extent to which the decision of the House of Lords in *Esso Petroleum Limited v Commissioners of Customs and Excise* [Source 5 page 6 Special Study Material] represents a development of the law regarding intention to create legal relations. **[16]**

2\* In Source 1 [page 2 line 32 Special Study Material], Lord Justice Atkin in 1919 argued that agreements such as the one in *Balfour v Balfour* were “outside the realm of contracts altogether”.

Discuss the extent to which, if at all, the rules on intention to create legal relations in any situation are so outdated **and** inconsistently applied that they should be changed. **[34]**

3 Consider whether or not the courts are likely to find intention to create legal relations in the following situations:

(a) Andre agreed with his daughter, Misha, to pay her an allowance whilst she was at college. Andre has since been disappointed by the lack of effort Misha has put into her studies and has stopped giving her the allowance. **(10)**

(b) Imogen and Jason have been married for six years. A year ago they decided to separate and agreed in writing that Imogen would give Jason a monthly allowance if he moved out. Jason moved out and Imogen paid the allowance for a while but now Imogen has a new boyfriend and has stopped making the payments. **(10)**

(c) Lake Cruises is a company which provides steamboat cruises in the Lake District. They recently signed an agreement with Mountain Heights saying that ‘they pledged on their honour’ to use Mountain Heights’ coffee on their steamboats in return for Mountain Heights’ honourable promise not to supply any of their competitors. An employee of Mountain Heights has discovered that Lake Cruises are in fact using a different brand of coffee. **(10)**

**[30]**

**[Total marks 80]**



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