

ADVANCED GCE

LAW

Law of Contract

G155

Candidates answer on the answer booklet.

OCR supplied materials:

- 16 page answer booklet
(sent with general stationery)

Other materials required:

None

Wednesday 22 June 2011
Morning

Duration: 2 hours



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. Pencil may be used for graphs and diagrams only.
- Read each question carefully. Make sure 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 your answer booklet.
- When answering Section A and Section B 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.
- 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 **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 (QWC) including your use of appropriate legal terminology. These questions are marked with an asterisk (*).
- This document consists of **4** printed pages. Any blank pages are indicated.

Answer **three** questions.

Answer **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*** 'When assessing whether there is an intention to create legal relations, the nature of the agreement is more important than the relationship of the parties.'

Discuss the accuracy of the above statement. **[50]**

- 2*** 'The most important aim of contract law is certainty for the parties, innominate terms fail to achieve this aim and leave the outcome to the opinion of the judge.'

Discuss the extent to which contracting parties can assess the likely consequences of a breach of contract in the light of the above statement. **[50]**

- 3*** 'The suspicion of improper pressure is not enough by itself to make a contract voidable, there must be other factors in place as well.'

Discuss the extent to which the law on undue influence provides clarity and justice in the light of the above statement. **[50]**

SECTION B

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

- 4* Ken owns a fruit and vegetable shop. He gives a price list to Saffron, a local restaurant, who emails an order to Ken every week. Ken does not reply to these emails but always delivers the fruit and vegetables the following day. One week Saffron places a very large order for mangos that Ken is not able to supply.

Another restaurant, The Galley, invites local fruit and vegetable suppliers to compete to supply them for six months, saying they will accept the lowest prices. Ken's prices are the lowest so The Galley asks him to be their supplier. After three months Ken and The Galley have an argument, after this The Galley starts to order their produce from another company instead of Ken's.

Advise Ken whether he has a binding contract to supply the mangos to Saffron **and** whether The Galley are in breach of contract in placing their orders with another company. **[50]**

- 5* Lydia is a theatre director who is putting on a play. Before the first performance Davina, a local authority safety officer, inspected the theatre to make sure it was safe to put on the play; this is a legal requirement. Davina decided that the theatre was safe. Lydia said she was very happy that Davina had not caused Lydia's play any trouble so she would send her free tickets.

In order to make sure her play was a success Lydia promised Gregor, the leading actor, a large bonus payment if he inspired the other actors.

Bernard, the play's make-up artist, was working for nothing as he was still training. After the last performance Lydia said she was so happy with his work she would pay him £500.

The play was very successful but Lydia has not kept any of her promises.

Advise whether Davina gave good consideration for the promise of free tickets **and** whether Gregor **and** Bernard gave good consideration for the promised bonus payments. **[50]**

- 6* Luther, a car dealer, deals with several clients.

Luther tells Sally that a particular model has exceptional fuel economy. Sally says she is mostly interested in the car because she wants to put a folded wheelchair in the back. Luther is sure that the car will not be big enough for the wheelchair but he says nothing. Sally buys the car but finds that it uses a large amount of fuel and the wheelchair will not fit in.

Another client, Rupinder, says she wants a car that will not cost much to tax. Luther shows her a car and tells her that it will be very cheap to tax. Rupinder returns two weeks later and buys the car. By this time the tax rules have changed and the car is now expensive to tax but Luther does not know this.

Advise Sally **and** Rupinder whether they can return the cars. Also advise Rupinder whether she can claim for the tax **and** insurance she has paid since buying the car. **[50]**

SECTION C

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

- 7 Dan has a contract with a publisher to write a book about the history of the Secret Service. His fee, payable when he finishes the book, includes his expenses for carrying out research. Dan spends three months writing the book and travelling at his own expense. He has also booked a venue to give a lecture about the book once it is published. Shortly before the book is completed Parliament passes a statute making it an offence to write any books about the Secret Service.

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: If the book cannot be published the publishers will be in breach of contract to Dan.

Statement B: Dan will not be liable to pay the costs of the venue he has hired to give a lecture.

Statement C: Dan will not be able to claim the expenses for his travels because he is not yet due to be paid the money.

Statement D: Dan will be able to claim against the publishers for the three months work done before the statute was passed. **[20]**

- 8 Adam, a film producer, makes a contract with Betty, a famous singer, to make a film about her life. Betty insists that Claudette, a writer, must write the script. Adam agrees to this term and includes it in his contract with Betty, along with Claudette's fee of £50,000. Shortly after making the contract Adam falls out with Claudette and no longer wants her to do the work.

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: Claudette has a statutory right to enforce the contract between Adam and Betty.

Statement B: When drafting the contract, Adam and Betty could not have prevented Claudette from having a direct right to enforce it.

Statement C: Claudette has a collateral contract with Adam for her to do the work.

Statement D: The courts will decide that Adam and Betty are a special case and therefore, Betty can sue on behalf of Claudette. **[20]**

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