

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education
Advanced Subsidiary Level and Advanced Level

LAW

9084/03

Paper 3 Law of Contract

May/June 2004

Additional Materials: Answer Booklet/Paper

1 hour 30 minutes

READ THESE INSTRUCTIONS FIRST

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.
Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen on both sides of the paper.
Do not use staples, paper clips, highlighters, glue or correction fluid.

Answer **one question from section A, one from section B** and **one other**, thus making a total of **three** responses required.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

This document consists of **3** printed pages and **1** blank page.



Answer **three** questions, at least **one** of which must be from **Section A** and **one** from **Section B**

Section A

- 1 It has been suggested that the decision in *Williams v Roffey Bros* marked a new and more realistic approach to contracts, especially in the commercial world.

Evaluate the impact that this decision has had on the development of the doctrine of consideration. [25]
- 2 Mistakes do not invalidate contracts. Critically assess the extent to which this statement may be considered to be true. [25]
- 3 The *contra proferentem* rule provides a useful tool for the interpretation of exemption clauses in contracts. Discuss. [25]

Section B

- 4 An advertisement appears in The Daily Standard newspaper:

FOR SALE
 Panasonic DVD Player
 Unwanted gift. Brand new; still boxed.
 The first to see it will buy it!
 Offers in the region of £200.
 Telephone 0123 456789

Ronaldo sees the advertisement, telephones the seller, Eduardo, and arranges to go and see the DVD player at 10.00 a.m.

Eduardo receives a second telephone call from Juninho, and arranges for him to come to see the DVD player at 11.00 a.m.

Ronaldo arrives at 10.00 a.m., inspects the DVD player, and says that he will give Eduardo £200 for it. Eduardo says that he now wants £250 for it. Ronaldo agrees to pay the £250, but adds that he would like to leave it at Eduardo's house until the end of the afternoon when he can bring the money to pay for DVD player and take it away. Eduardo seems happy with the arrangement. However, at 11.00 a.m., Juninho arrives, takes one look at the DVD player, and says that he will give Eduardo £300 in cash. Eduardo takes his money and Juninho takes the DVD player home.

When Ronaldo returns later in the day as arranged, Eduardo informs him that he is too late and that the DVD player has gone.

Consider Eduardo's potential contractual liability towards Ronaldo and the possible remedies that he might pursue. [25]

- 5 Katherine is a seventeen year-old student. Before leaving home for university, she orders a number of textbooks from Spencer's Bookshop, which the shop agrees to deliver to her and for which she agrees to pay £90 on delivery. She also buys two party dresses on credit from a shop called Frilly Frocks at a price of £125 each.

Discuss Katherine's contractual liability to each of the shops should she fail to pay for any of the goods supplied to her and consider what remedies the suppliers might pursue against her in each case. [25]

- 6 Ahmed sells his car to Mahmoud for £2000. During negotiations, Mahmoud takes a look at the car whilst Ahmed gives him some information about it. Ahmed tells him that the car runs well, that it has a full maintenance history, that it has had two previous owners and that the odometer shows that the car has been driven for 50 000 kms since new. In fact, the car has had three previous owners, according to the registration documents in Ahmed's possession, and Ahmed had a new odometer fitted to the car when the old one read 80 000 kms.

Discuss Ahmed's potential liability towards Mahmoud, should Mahmoud discover that he has been misled by Ahmed. [25]

