



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education Advanced Level

LAW

9084/03

Paper 3 Law of Contract

May/June 2009

1 hour 30 minutes

Additional Materials: Answer Booklet/Paper

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.

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.



Candidates must attempt **one** question from **Section A**, **one** from **Section B** and **one other**, thus making a total of **three** responses required.

Section A

- 1 'Offers last forever unless expressly revoked.'

Critically evaluate this statement as it relates to the formation of contracts. [25]

- 2 Analyse critically the factors taken into account by the courts when making an award of damages where the terms of the contract have made no provision for this. [25]

- 3 In the Great Peace Shipping case (2002), the Court of Appeal suggested that Parliament should legislate 'to give greater flexibility to our law of mistake than the common law allows'.

Critically assess the significance of any consequent change in the law as a result of this case and explain why legislation was thought necessary. [25]

Section B

- 4 Hamid has to get to the airport for an early morning flight from London to New York. All the local taxi companies are fully booked so he asks his friend Nila if she could drive him. She kindly agrees and also offers to pick him up from the airport on his return to London. Having completed the trip, Hamid promises to pay Nila an appropriate amount to cover her petrol expenses and also to buy her 'something special' for the favour.

Using case law to support your views, consider Nila's legal position if Hamid fails to honour the two promises made. [25]

- 5 Chan, aged 17, leaves home to attend a college 50 km away. Within the first few weeks away from home he signs an agreement to lease a flat for two years from Gurdeep, agrees to pay his college £3000 in tuition fees for his 1 year course, and borrows £5000 from Winston to buy a car.

Assess Chan's legal liability should he breach any of these contracts and discuss any remedies that might be available against him in each case. [25]

- 6 Sandeep enters a car park in his new car. He has to take a ticket from a machine at the barrier to enter the car park. He does not read it, but puts the ticket safely in his pocket because he will need it when he leaves the car park. The ticket clearly states that cars are parked according to the terms and conditions displayed next to the exit. These state that the car park is used entirely at the risk of car owners.

Sandeep returns to his car to find that it had been deliberately damaged by a gang of youths and, on exiting the car park, a faulty barrier at the exit falls and damages the roof of his car.

Discuss the contractual liability that the owners of the car park would have towards Sandeep. [25]

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