

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

LAW

9084/03

Paper 3 Law of Contract

October/November 2006

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.
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.

Candidates must attempt **one** question from section A, **one** from section B and **one** of the questions in section C, making a total of **three** responses required.

Section A

- 1 Explain when the doctrine of promissory (or equitable) estoppel might be applicable and discuss the limitations on its application. [25]
- 2 Critically evaluate the remedies available to a party who discovers that a contract has been founded on a misrepresentation. [25]
- 3 'Most businesses wish to limit or exclude liability for the consequences of the breach of contracts that they make.'
Outline the statutory controls that exist over the use of exclusion clauses and assess their impact on the ordinary consumer of goods and services in England and Wales. [25]

Section B

- 4 Following the theft of his expensive motor car, Jenson places an advertisement in the newspaper as follows:

£2000 Reward

will be given for information leading to the recovery of my
red Porsche Boxer, registration number RG06 TJH

which was stolen from the Oxford Road car park
between 18.00 and 23.30 on Wednesday 20 April.

The reward must be claimed by 30 May.

Reply by post to Box No 98765 @ Manchester Evening News

The car is found abandoned by Ralf and Michael, two friends who are walking their dogs. Ralf has seen the advertisement in the newspaper, but Michael has not. Ralf writes a letter claiming the reward. A few days later, Ralf and Michael are drinking together in a bar, when Ralf tells Michael about the reward notice, so Michael also writes to Jenson to claim the reward. Both letters arrive before the 30 May deadline.

Discuss Ralf and Michael's respective legal entitlement to the reward advertised by Jenson. [25]

- 5 Wang-Li used to work for Phones-4-All, at their warehouse in London. When he was sacked by his employers for persistent lateness, he decided to get his revenge on them. He rented business premises in the same street as the offices of Cellcall, a long established customer of his ex-employer. Wang-Li used his computer to produce business stationery, bearing the name Coldcall, and sent an order to Phones-4-All, asking for 1000 mobile phones to be supplied to his Limehouse Street address on 28 days credit terms. The order was processed without question and the phones were delivered to Coldcall.

Wang-Li, acting as Coldcall, sold the telephones to the retailer The Phone Connection, who bought them in good faith. One week later he vacated his business premises and disappeared without paying Phones-4-All for the phones supplied.

Discuss any entitlement that Phones-4-All may have to the return of the consignment of mobile phones now in the possession of The Phone Connection. [25]

- 6 The Japanese Motor Company has agreed to supply Kingston with a brand new four-wheel drive jeep for use on his hill-side farm. He placed an order for a 2.8 litre model in the colour black with a two-way radio to be fitted as an additional accessory. Delivery was promised in six weeks.

Ten weeks later The Japanese Motor Company notified Kingston that the vehicle was ready for collection. When he went to the showroom he discovered that it was blue, not black, as he had ordered. However, Kingston still took delivery of the jeep.

The following day he took the jeep out on the farm and at the top of a steep hill his brakes failed, and an accident was narrowly avoided.

Discuss Kingston's legal liability to take late delivery of and pay for a jeep of the wrong colour and his rights if, having taken delivery and paid for it, it immediately ceases to work properly. [25]