UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education
Advanced Level

LAW **9084/32**

Paper 3 Law of Contract **May/June 2011**

1 hour 30 minutes

Additional Materials: Answer Booklet/Paper

6201102590

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.

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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 Silence never amounts to an actionable misrepresentation.

Using case law to support your arguments, critically assess the truth of this statement. [25]

2 The *contra proferentem* rule no longer serves as a useful tool for the interpretation of exemption clauses in contracts.

Discuss. [25]

3 The intention to create legal relations is the least important of the elements of valid contracts.

Critically assess this statement, using decided case law to support your conclusions. [25]

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Section B

4 The following appears on the notice-board of the Kingfisher table tennis club:

> **LOST AT THE CLUB** on Monday 20 May
>
> **Gentleman's Watch**
>
> Gold in colour with metal bracelet. Reward of £50 offered for its safe return or for information leading to its return. Please contact Jay Brown on 07777 7777.

The watch is found by a passer-by, Kevin, in the club car-park and he hands it in to the police, explaining where and when it was found.

Lena is a member of the Kingfisher table tennis club and sees the reward notice concerning the lost watch when she plays a match at the club.

Kevin and Lena are friends and when Kevin tells her some months later that he has found a gold watch near the club, she says nothing about the reward. The following morning she contacts Jay Brown and tells him to go to the police station, as she believes that the missing watch has been handed in, and asks for the £50 reward.

When Jay goes to the police station and asks whether anyone has handed in his watch, he finds that it has been sold by auction and the money given to charity because so much time has passed without the watch being collected by the owner.

Discuss Lena's legal rights to the reward if Jay refuses to give it to her. [25]

5 Sarah is a self-employed computer programmer. She signs a contract to work for Gurdeep for a year. The terms of the contract state that, while working for Gurdeep, she must not work as a programmer for any other company in the United Kingdom.

Two months later, Gurdeep discovers that Sarah has entered a programming contract with Kuldip. Because she had not read the contract before signing it, Sarah argues that she had never agreed to work exclusively for Gurdeep.

Gurdeep wishes to enforce his contract with Sarah and stop her working for Kuldip.

(a) Advise Sarah whether she is bound by the contract.

(b) Advise Gurdeep of the likely remedies that he might obtain if he decides to sue her. [25]

6 Usain inherits two chairs from his grandfather. They look almost identical but one of them is antique and is worth £5000. Usain doesn't like the chairs very much and decides to sell them.

Valda hears that Usain has chairs for sale and pays him a visit. Valda offers him £500 for one of the chairs and Usain accepts. Some time later, Usain discovers that he has sold the antique chair and seeks to recover it from Valda on the grounds of his mistake.

Using case law to support your answer, analyse the rules relating to mistake and breach of contract and advise Usain as to any consequent remedy that he might realistically pursue against Valda. [25]

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