

Candidate Name

Candidate Number

Centre Name

Centre Number

Paper 3: Law in action: Contract Law

Sample paper

(1 hour 30 minutes)

It is necessary to respond on the answer sheet provided alongside this question paper.
Additionally, you must have a dark blue or black pen.

INSTRUCTIONS:

- You must write your name, candidate number, centre name and centre number on the answer sheet in the designated space.
- Answer two questions in total.
- Answer all parts of question 1 in section A.
- Answer one question only in section B.
- You should spend no more than 45 minutes on either section.
- Your answers should be supported by references to relevant instruments and/or authority. Full case citations are not required. A partial reference to the title and/or a brief description of facts will be sufficient.
- It is important to follow the instructions provided on the answer sheet.
- Do not use correction fluid.
- Avoid writing on any bar codes.

INFORMATION:

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets []

Section A

Answer all parts of this question. You should spend no longer than 45 minutes on this section.

1. (a) Ahmed is a farmer who supplies potatoes to Beryl's fish and chip shop. They had been dealing for some years on an informal basis with no written contract. Three years ago, Ahmed and Beryl agreed that it would be wise to have a formal contract written. Beryl drew up a draft contract and sent it to Ahmed. Ahmed made some minor amendments and filled in some blanks and sent it back to Beryl. Beryl then simply filed the document and never said anything to Ahmed. Since then, Ahmed period has continued to supply potatoes and Beryl has paid for them in full accordance with the terms as amended. Now Ahmed and Beryl are in a dispute (it does not matter why). It has become highly relevant whether in fact the written agreement is valid.

Explain to Ahmed why there is perceived to be an issue and suggest whether or not the agreement is likely to be viewed as valid. [10 marks]

(b) Collin owned the shares of a private company which owned an island that Frank wanted to buy. Frank was the majority shareholder in a public company. Collin agreed to sell their shares in the private company to Frank so that Frank could purchase the island. In return Collin would get shares in the public company. Fearing a drop in share value of the public company would result, Collin and Frank made another agreement that Collin would not sell his shares for a while. However, Collin realized that Frank might profit from this agreement and demanded that this second agreement be replaced with one in which Collin was indemnified for any fall in share value but might also benefit from any rise in share value. The share value did drop, and Collin sought to rely on the indemnity contract. Frank refused, saying that the agreement was only supported by past consideration.

Explain to Collin why Frank feels he can avoid the contract, and suggest whether you think that he will succeed. [10 marks]

(c) A woman called Gigi Hadid contacts a local photographer, Iolanthe, to arrange for some professional photos to be taken. "Are you really Gigi Hadid?" Iolanthe asks. "Well, yes," Gigi replies. "In which case, I would be most honoured to do these photos for half the usual rate, if you will let me display one of them in my shop window and tell people in my adverts that you are a customer." Gigi agrees. She attends Iolanthe's studio where she is photographed not by Iolanthe, but by Iolanthe's assistant. When Iolanthe sees the photos, she is shocked. This is not Gigi Hadid, the famous American model, but a young woman of the same name (who looks nothing like the famous model). She demands that Gigi pays the full price for the photos.

Advise Iolanthe as to the rules regarding mistakes and whether she is likely to succeed with her demand. [10 marks]

Section B

Answer ONE question only from this section

2. (a) Explain what is meant by a *force majeure* clause. [5 marks]

(b) What can the court do if a contract is discharged by way of breach or frustration? [25 marks]

3. (a) What is the difference between void and voidable contracts? [5 marks]

(b) Describe what is meant by misrepresentation and evaluate the effect this can have on a contract. [25 marks]

4. (a) Explain the difference between express and implied terms. [5 marks]

(b) Explain the court's attitude towards exclusion clauses. [25 marks]

5. (a) Outline when a young person can make a contract. [5 marks]

(b) When are the courts likely to enforce contracts between siblings? [25 marks]