

# A-level LAW 7162/3A

Paper 3A Contract

Mark scheme

June 2019

Version: 1.0 Final



Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aga.org.uk

# Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

# Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, i.e. if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

# Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the guestion must be awarded no marks.

O1 Select the **true** statement about the remedy of specific performance in contract.

[1 mark]

# Marks for this question: AO1 = 1

**D** Specific performance may be awarded where the contract is for the supply of a unique item.

**O2** Select the **false** statement about economic duress in contract.

[1 mark]

## Marks for this question: AO1 = 1

**C** It requires the use, or threatened use, of physical force.

Select the **false** statement about the institutions of the European Union.

[1 mark]

# Marks for this question: AO1 = 1

**C** The European Court of Justice is the final court of appeal on all law for all member states.

**04** Select the **false** statement about the rule of law.

[1 mark]

## Marks for this question: AO1 = 1

**D** It supports attempts by governments to limit access to the civil justice system by reducing state funding for bringing claims.

**05** Select the **true** statement about delegated legislation.

[1 mark]

## Marks for this question: AO1 = 1

A court may declare delegated legislation invalid if it is not within powers granted to a minister by the enabling Act.

Explain **two** ways in which the law tries to ensure the independence of the judges.

[5 marks]

Marks for this question: AO1 = 5

	Levels of response mark scheme 5 marks – AO1 only		
Mark range	Description		
4–5 Band 3	Knowledge is good and demonstrates a good understanding of the English legal system. Where appropriate a good example of a case to illustrate suggested reasons.		
2–3 Band 2	Knowledge is satisfactory and demonstrates a satisfactory understanding of the English legal system. Where appropriate a satisfactory example of a case to illustrate reasons.		
1 Band 1	Knowledge is limited and demonstrates a limited understanding of the English legal system. Where appropriate a limited example of a case to illustrate reasons.		
0	Nothing worthy of credit.		

## Indicative content

#### **AO1**

Explanation of any **two** of the following:

- Security of tenure for superior judges (inferior judges may be mentioned but this is not necessary) –
  Senior Courts Act 1981, Constitutional Reform Act 2005 (power to remove in the hands of the
  monarch on petition by both Houses of Parliament). Independent office to investigate complaints.
- Immunity from suit criminal and civil actions in relation to acts carried out in performance of judicial function, including immunity from actions in defamation; **Sirros v Moore**.
- Freedom from interference by the executive and separation from legislative law-making Constitutional Reform Act 2005 s3.
- Prohibition on participation in cases where a judge may have a personal or other special interest In Re Pinochet.

Credit any other relevant point(s).

Note: only one aspect explained – max 3 marks for a good answer.

07

Applying the rules of offer and acceptance in contract, suggest why Ben would probably have no rights and therefore no remedies against Alex.

[5 marks]

# Marks for this question: AO1 = 2 and AO2 = 3

	Levels of response mark scheme 5 marks – AO1 (2) and AO2 (3)		
Mark range	Description		
4–5 Band 3	Good outline explanation of legal rules and principles and good application to the scenario in order to present a legal argument using appropriate terminology. Good explanation of a relevant case to support the application.		
2–3 Band 2	Knowledge is satisfactory and demonstrates a satisfactory understanding of relevant legal rules and principles. Satisfactory application of legal rules and principles to the scenario. Satisfactory explanation of a relevant case to support the application.		
1 Band 1	Knowledge is limited and demonstrates a limited understanding of legal rules and principles.		
0	Nothing worthy of credit.		

#### **Indicative content**

#### **AO1**

- Statement of rules on offers and invitations to treat.
- Statement of rules on acceptance, in particular, on imposing acceptance by silence.

# AO2

- Application to argue that the parties were in no more than negotiation (invitation to treat) until Alex himself made an offer to sell at £2500.
- Application to suggest that Alex improperly attempted to impose an acceptance on Ben (by silence), who had merely made an enquiry as to price.
- Use of a relevant case to assist explanation/application on negotiation (e.g. **Partridge v Crittenden**, **Fisher v Bell**, **Harvey v Facey**) or on acceptance (e.g. **Felthouse v Bindley**).

Credit any other relevant point(s).

Advise Clive as to whether he has any rights and remedies against Dan in misrepresentation.

[10 marks]

# Marks for this question: AO1 = 3, AO2 = 4 and AO3 = 3

	Levels of response mark scheme 10 marks – AO1 (3), AO2 (4) and AO3 (3)		
Mark range	Description		
7–10 Band 3	Knowledge is good and demonstrates a good understanding of relevant legal rules and principles.  Good analysis of legal rules and principles leading to good application of the correct rules and principles to the scenario.  Good explanation of relevant legal authority to support the application.  A good legal argument is presented using appropriate terminology to support advice.		
3–6 Band 2	Knowledge is satisfactory and demonstrates a satisfactory understanding of relevant legal rules and principles. Satisfactory analysis of legal rules and principles leading to satisfactory application of the correct rules and principles to the scenario. Satisfactory explanation of relevant legal authority to support the application. A satisfactory legal argument is presented using some appropriate terminology to support advice.		
1–2 Band 1	A limited demonstration of knowledge. Limited analysis of legal rules and principles in relation to the scenario but rules and principles are not applied correctly to the scenario.		
0	Nothing worthy of credit.		

## **Indicative content**

## **AO1**

- Outline explanation of the meaning of misrepresentation.
- Outline explanation of kinds of misrepresentation (fraudulent, negligent, innocent).
- Outline explanation of the remedies for misrepresentation (damages and rescission).

#### AO2

- Application to suggest that Dan's statement was a representation which was false.
- Application to suggest that, despite the check by Gary, Clive relied on the statement by Dan that it was Eduardo's shirt, so that he was induced to enter the contract on that basis (credit a possible alternative approach that argues no reliance).
- Application to suggest that the statement was made fraudulently or, at the very least, negligently (either suffices) either Dan had no belief in its truth or he had no reasonable grounds for believing it to be true.
- Application to suggest that, save for any impossibility of full restitution or affirmation/undue lapse of time, Clive would be able to seek rescission of the contract, and recover his £100.

# AO3

- Analysis and evaluation of the requirement that the false statement must induce the victim to enter into the contract e.g. **Attwood v Small**.
- Analysis and evaluation of fraudulent and negligent misrepresentation e.g. Derry v Peek, Misrepresentation Act 1967 s2(1).
- Analysis and evaluation of, in particular, the remedy of rescission limits in relation to possibility of full restitution, affirmation, or lapse of time.

Credit any other relevant point(s).

Examine the role of law in balancing conflicting interests. Discuss the extent to which the provisions of the Law Reform (Frustrated Contracts) Act 1943 enable a judge to achieve an appropriate balance of conflicting interests where a contract terminates by reason of frustration.

[15 marks]

# Marks for this question: AO1 = 5 and AO3 = 10

	Levels of response mark scheme 15 marks – AO1 (5) and AO3 (10)		
Mark range	Description		
13–15 Band 5	Knowledge is excellent and demonstrates an excellent understanding of the Nature of Law and legal rules and principles. Excellent selection and use of relevant legal authority.  Excellent analysis and evaluation of legal rules and principles; concepts and issues. Excellent drawing together of knowledge and understanding of substantive and non-substantive law from across the course of study.  A logical, sustained and well-developed line of reasoning is maintained leading to a valid, relevant and substantiated conclusion.		
10–12 Band 4	Knowledge is good and demonstrates a good understanding of the Nature of Law and legal rules and principles. Good selection and use of relevant legal authority. Good analysis and evaluation of legal rules and principles; concepts and issues. Good drawing together of knowledge and understanding of substantive and non-substantive law from across the course of study. A sustained and, but not yet fully, developed line of reasoning is established leading to a partially justified conclusion.		
7–9 Band 3	Knowledge is satisfactory and demonstrates a satisfactory understanding of the Nature of Law and legal rules and principles. Satisfactory selection and use of relevant legal authority.  Satisfactory analysis and evaluation of legal rules and principles; concepts and issues. Some drawing together of knowledge and understanding of substantive and non-substantive law from across the course of study.  A chain of reasoning starts to develop which leads to a partially justified conclusion.		
4–6 Band 2	Knowledge is limited and demonstrates a limited understanding of the Nature of Law and legal rules and principles. Limited selection and use of relevant legal authority.  Limited analysis and evaluation of legal rules and principles; concepts and issues. Limited drawing together of knowledge and understanding of substantive and non-substantive law from across the course of study. Some reasoning is attempted which leads to a limited conclusion.		
1–3 Band 1	Knowledge is minimal and demonstrates a minimal understanding of the Nature of Law and legal rules and principles. Minimal selection and use of relevant legal authority.  Minimal analysis and evaluation of legal concepts and issues.  No chain of reasoning is attempted.		
0	Nothing worthy of credit.		

## Distribution of marks for substantive and non-substantive law:

Substantive	Non-substantive	Total marks
5	10	15

#### **Indicative content**

#### AO1

- Basic explanation of the role of law in society as operating to balance conflicting interests.
- Simple illustration drawn from any area(s) of law.
- Identification of the interests involved in contract generally private/individual but perhaps with some public or social component.
- Basic explanation of the provisions of the Law Reform (Frustrated Contracts) Act 1943 s1(1)–(3) in terms of abrogation of obligations.

## AO<sub>3</sub>

- Analysis of the meaning and kinds of interests that may be in conflict in issues that arise in law (eg public and private or individual, public and social).
- Analysis of the mechanisms by which law may seek to balance interests, including substantive and procedural rules of law, and access to justice.
- Analysis of areas in which the law has attempted to promote an appropriate balance between interests.
- Analysis of the rules in s1(1)–(3) of the 1943 Act, demonstrating how the rules dictate a particular outcome where a contract terminates for frustration but subject to an overriding discretion (within the limitations in the rules) in the judge to make adjustments in favour of one party or another.
- Evaluation of the extent to which the discretion permitted to the judge enables an appropriate balance to be achieved.
- Conclusion perhaps to suggest that the rules do provide adequate discretion to the judge to achieve an appropriate balance but that this will depend upon the skill with which the discretion is exercised.

Credit any other relevant point(s).

Indicative Content Groups (ICG)

- 1. Concept
- 2. Substantive law

10 Consider Hal's rights and remedies against Outward, **and** consider Jed's rights and remedies against Hal.

[30 marks]

# Marks for this question: AO1 = 10, AO2 = 10 and AO3 = 10

	Levels of response mark scheme 30 marks AO1 (10), AO2 (10) and AO3 (10)			
Mark range	Description			
25–30 Band 5	Knowledge is excellent and demonstrates an excellent understanding of relevant legal rules and principles. Excellent selection and use of appropriate legal authority.  There is excellent analysis and evaluation of legal rules and principles leading to excellent application of the correct rules and principles to the scenario.  An excellent legal argument is presented using appropriate terminology.  A logical, sustained and well-developed line of reasoning is maintained leading to a valid, relevant and substantiated conclusion.			
19–24 Band 4	Knowledge is good and demonstrates a good understanding of relevant legal rules and principles. Good selection and use of appropriate legal authority. There is good analysis and evaluation of legal rules and principles leading to good application of the correct rules and principles to the scenario.  A good legal argument is presented using appropriate terminology.  A sustained and, but not yet fully, developed line of reasoning is established leading to a partially justified conclusion.			
13–18 Band 3	Knowledge is satisfactory and demonstrates a satisfactory understanding of relevant legal rules and principles. Satisfactory selection and use of appropriate legal authority.  There is satisfactory analysis and evaluation of legal rules and principles leading to satisfactory application of the correct rules and principles to the scenario.  A satisfactory legal argument is presented using some appropriate terminology. A chain of reasoning starts to develop which leads to a partially justified conclusion.			
7–12 Band 2	Knowledge is limited and demonstrates a limited understanding of relevant legal rules and principles. Limited selection and use of appropriate legal authority. There is limited analysis and evaluation of legal rules and principles which may lead to limited application of the correct rules and principles to the scenario. A limited legal argument is presented using little appropriate terminology. Some reasoning is attempted which leads to a limited conclusion.			
1–6 Band 1	Knowledge is minimal and demonstrates minimal understanding of legal rules and principles. Minimal selection and use of legal authority.  There is minimal analysis and evaluation of legal rules and principles which may lead to minimal application of the correct rules and principles to the scenario. A fragmented legal argument is attempted.  No chain of reasoning is attempted.			
0	Nothing worthy of credit.			

## **Indicative content**

#### **AO1**

- Identification and outline explanation of supply of goods in a trader/consumer relationship under the Consumer Rights Act 2015.
- Identification and outline explanation of terms implied into such a contract satisfactory quality (s9) and fitness for purpose (s10).
- Identification and outline explanation of remedies for breach of the above terms repair or replacement (s23), price reduction or final right to reject (s24), referring to prohibition on excluding or limiting clauses (s31).
- Identification and outline explanation of the rules on intention to create legal relations with particular reference to the presumptions relating to business/commercial and social/domestic agreements.
- Identification and outline explanation of the rules on consideration with particular reference to the rule on past consideration.

#### AO2

- Application to argue that the relationship between Outward and Hal is that of trader/consumer and so
  governed by the provisions of the 2015 Act and that the defects in the tent amount to a breach of both
  s9 and s10 (credit possible argument that more than six months may have elapsed before Hal makes
  his complaint so that the burden lies on him to prove breach).
- Application to argue that remedies cannot be lost by virtue of any purported exemption or limitation clause and that Hal's most obvious remedies will be replacement or the final right to reject, since repair seems unlikely to be possible and a price reduction will be of little practical significance.
- Application of the rules on consideration to suggest that, prima facie, Jed's supply of the tent appears
  to be past consideration and that there is little evidence to suggest that there was ever a prior request
  with an implication of payment, so that it is unlikely that Jed could rely on the Lampleigh v
  Brathwait/Re Casey's Patents exception.
- Application of the rules on intention to create legal relations to suggest that, despite the fact that Hal is a builder, the relationship appears to be more akin to domestic/social than to commercial, so that the presumption would be strongly against an intention to create legal relations.
- Application to suggest that if, contrary to the arguments above, a contract for the repair work did exist, Jed would be entitled to claim damages for the whole amount spent (provided it was a reasonable commercial sum – duty to mitigate loss).

#### AO<sub>3</sub>

- Analysis and evaluation of the terms as to satisfactory quality and fitness for purpose, incorporating (where relevant) case law from pre-existing legislation.
- Analysis and evaluation of the remedies of repair or replacement, price reduction or final right to reject and, in particular, of their interrelationships and their non-excludability by exclusion or limitation clauses (s31).
- Analysis and evaluation of the rules on past consideration and 'exceptions' to the rule with reference to appropriate case law, e.g. Re McArdle, Lampleigh v Brathwait, Re Casey's Patents.
- Analysis and evaluation of the rules on intention to create legal relations, in particular, on the
  presumptions in domestic and social agreements, with reference to appropriate case law, e.g. Merritt
  v Merritt, Balfour v Balfour, Simpkins v Pays.

# Indicative Content Groups

- 1. Consumer Rights Act terms
- 2. Consumer Rights Act remedies
- 3. Formation issues (one only-max low good)

11 Consider the rights and remedies of Phil and Katie against the Lander Hotel and consider Katie's rights and remedies against Nina.

Assess the likely effectiveness of the remedies that you have suggested may be available to Phil and to Katie.

[30 marks]

# Marks for this question: AO1 = 10, AO2 = 10 and AO3 = 10

	Levels of response mark scheme 30 marks AO1 (10), AO2 (10) and AO3 (10).		
Mark range	Description		
25–30 Band 5	Knowledge is excellent and demonstrates an excellent understanding of the English legal system and legal rules and principles. Excellent selection and use of relevant legal authority.  There is excellent analysis of legal rules and principles leading to excellent application of the correct rules and principles to the scenario.  An excellent legal argument is presented using appropriate terminology.  There is excellent analysis and evaluation of legal concepts and issues.  Excellent drawing together of knowledge and understanding from substantive and non-substantive law from across the course of study. A logical, sustained and well-developed line of reasoning is maintained leading to a valid, relevant and substantiated conclusion.		
19–24 Band 4	Knowledge is good and demonstrates a good understanding of the English legal system and legal rules and principles. Good selection and use of relevant legal authority.  There is good analysis of legal rules and principles leading to good application of the correct rules and principles to the scenario.  A good legal argument is presented using appropriate terminology.  There is good analysis and evaluation of legal concepts and issues.  Good drawing together of knowledge and understanding from substantive and non-substantive law from across the course of study.  A sustained and, but not yet fully, developed line of reasoning is established leading to a partially justified conclusion.		
13–18 Band 3	Knowledge is satisfactory and demonstrates a satisfactory understanding of the English legal system and legal rules and principles. Satisfactory selection and use of relevant legal authority.  There is satisfactory analysis of legal rules and principles leading to satisfactory application of the correct rules and principles to the scenario.  A satisfactory legal argument is presented using some appropriate terminology. There is satisfactory analysis and evaluation of legal concepts and issues. Some drawing together of knowledge and understanding from substantive and non-substantive law from across the course of study.  A chain of reasoning starts to develop which leads to a partially justified conclusion.		

7–12 Band 2	Knowledge is limited and demonstrates a limited understanding of the English legal system and legal rules and principles. Limited selection and use of relevant legal authority.  There is limited analysis of legal rules and principles leading to limited application of the correct rules and principles to the scenario.  A limited legal argument is presented using little appropriate terminology.  There is limited analysis and evaluation of legal concepts and issues.  Limited drawing together of knowledge and understanding from substantive and non-substantive law from across the course of study. Some reasoning is attempted which leads to a limited conclusion.
1–6 Band 1	Knowledge is minimal and demonstrates a minimal understanding of the English legal system and legal rules and principles. Minimal selection and use of relevant legal authority.  There is minimal analysis of legal rules and principles leading to minimal application of the correct rules and principles to the scenario.  A fragmented legal argument is attempted.  There is minimal analysis and evaluation of legal concepts and issues.  Minimal drawing together of knowledge and understanding from substantive and non-substantive law from across the course of study. No chain of reasoning is attempted.
0	Nothing worthy of credit.

#### Distribution of marks for substantive and non-substantive law:

Substantive	Non-substantive	Total marks
23	7	30

#### Indicative content

#### A01

- Identification and outline explanation of terms in a contract express and implied, conditions, warranties and innominate.
- Outline explanation of remedies for breach as right to treat the contract as at an end and/or sue for damages.
- Discussion of frustration can be credited.
- Identification and outline explanation of statutory provisions (under the Consumer Rights Act 2015) imposing obligations on traders to consumers in contracts for the supply of services, in particular, that the service is to be performed with reasonable care and skill (s49).
- Identification and outline explanation of statutory remedies in trader/consumer contracts for the supply of services the right to a repeat performance (s55) or to a price reduction (s56).
- Identification and outline explanation of third party rights under the Contracts (Rights of Third Parties) Act 1999.

#### AO2

- Application to the case of Phil and Katie against Lander Hotel to argue that the size of, time of
  availability of, and provision of food within the room were all express terms of the contract. (Can be
  treated as one whole term)
- Application as above to argue that all these terms were conditions or innominate terms sufficiently seriously broken to amount to a repudiatory breach by Lander Hotels. (Can be treated as one whole term)

- Application to argue that the entitlement to treat the contract as at an end is accompanied by a right to
  the return of the deposit and to sue for damages amounting to the additional cost of the last-minute
  booking, together with possible damages for stress and inconvenience.
- Application of frustration can be credited.
- Application to the case of Katie against Nina to suggest that the contract was obviously for the benefit
  of Katie (Contracts (Rights of Third Parties) Act 1999) and that the poor execution of the tattoo
  probably amounts to a breach of s49.
- Application to suggest that a remedy of repeat performance may be impractical or not desired, so that only a reduction in price and/or damages for the cost of remedial action by others would be likely.

#### AO3

- Analysis and evaluation of the nature of terms in a contract and of their significance in relation to the
  consequences of breach, referring to cases such as Poussard v Spiers and Pond, Bettini v Gye,
  Hong Kong Fir Shipping Company v Kawasaki Kishen Kaisa, Bunge v Tradex.
- Analysis and evaluation of the remedies available right to treat the contract as at an end in the case
  of anticipatory breach (repudiatory breach) and to claim damages subject to the mitigation
  requirement.
- Analysis and evaluation of frustration can be credited.
- Analysis and evaluation of the remedies available for a breach of the Consumer Rights Act 2015 s49
  and their interrelationship (repeat performance, price reduction), as well as a common law right to
  damages.
- Analysis of the remedies available in both actions with the aim of revealing the role of law in society in respect of enforceable rights and its capacity to ensure an appropriate outcome.
- Evaluation of the extent to which such an outcome would be achieved, e.g. can damages ever compensate for levels of stress and disappointment or provide an adequate remedy where physical changes have occurred which may not be fully reversible (as in the tattoo).

Credit any other relevant point(s).

# FRUSTRATION ONLY AS AN ALTERNATIVE TO BREACH - MAX SATISFACTORY

Indicative Content Groups

- 1. Rights and remedies in relation to the hotel
- 2. Rights and remedies in relation to the tattoo
- 3. Effectiveness of the remedies

# **Assessment Objectives Grid**

	AO1	AO2	AO3	Total
1	1			1
2	1			1
3	1			1
4	1			1
5	1			1
6	5			5
7	2	3		5
8	3	4	3	10
9	5		10	15
10	10	10	10	30
11	10	10	10	30
Paper Total	40	27	33	100

# Distribution of marks for substantive and non-substantive law

Question	Substantive	Non-substantive	Total Marks
1	1		1
2	1		1
3		1	1
4		1	1
5		1	1
6		5	5
7	5		5
8	10		10
9	5	10	15
10	30		30
11	23	7	30
Total	75	25	100
Total %	75	25	100