

**GCE** 

Law

Unit G155: Law of Contract

Advanced GCE

Mark Scheme for June 2014

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

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These are the annotations, (including abbreviations), including those used in scoris, which are used when marking

Annotation	Meaning
BP	Blank Page – this annotation <b>must</b> be used on all blank pages within an answer booklet (structured or unstructured) and on each page of an additional object where there is no candidate response.
+	AO2+
2	Point 2 (Q7-8), Accurate facts but wrong case name or no name (Q1-Q6)
3	Point 3 (Q7-8)
4	Point 4 (Q7-8)
5	Point 5 (Q7-8)
A2	AO2
AL	Alternative reasoning in Q7-8
E	Case (Q1-6) / reference to statutory provisions
E	Expansion of developed point (Q1-Q6)
N0	Case - name only
}	Not relevant
REP	Repetition/or where it refers to a case this indicates that the case has already been noted by examiner
<b>/</b>	AO1 / Point 1 (Q7-8)
✓?_	Sort of

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Subject-specific marking instructions

Before you commence marking each question you must ensure that you are familiar with the following:

- the requirements of the specification
- these instructions
- the exam questions (found in the exam paper which will have been emailed to you along with this document)
- levels of assessment criteria \*1 (found in the 'Levels of Assessment' grid at the back of this document)
- question specific indicative content given in the 'Answer' column\*2
- question specific guidance given in 'Guidance' column\*3
- the 'practice' scripts\*4 provided in Scoris and accompanying commentaries
- \*1 The levels of assessment criteria (found in the 'Levels of Assessment' grid) reflect the expectation of achievement for each Assessment Objective at every level.
- \*2 The indicative content in the 'Answer' column provides details of points that candidates **may** be likely to make. It is **not** exhaustive or prescriptive and points not included in the indicative content, but which are valid within the context of the question, are to be credited. Similarly, it is possible for candidates to achieve top level marks without citing all the points suggested in the scheme.
- \*3 Included in the 'Guidance' column are the number of marks available for each assessment objective contained within the question. It also includes 'characteristics' which a response in a particular level is **likely** to demonstrate. For example, "a level 4 response is likely to include accurate reference to all 5 stages of x with supporting detail and an accurate link to the source". In some instances an answer may not display all of the 'characteristics' detailed for a level but may still achieve the level nonetheless.
- The 'practice' scripts are live scripts which have been chosen by the Principal Examiner (and senior examining team). These scripts will represent most types of responses which you will encounter. The marks awarded to them and accompanying commentary (which you can see by changing the view to 'definitive marks') will demonstrate how the levels of assessment criteria and marking guidance should be applied.

As already stated, neither the indicative content, 'characteristics' or practice scripts are prescriptive and/or exhaustive. It is imperative that you remember at all times that a response which:

- differs from examples within the practice scripts; or,
- includes valid points not listed within the indicative content; or,
- does not demonstrate the 'characteristics' for a level

may still achieve the same level and mark as a response which does all or some of this. Where you consider this to be the case you should discuss the candidate's response with your supervisor to ensure consistent application of the mark scheme.

#### Awarding Assessment Objectives 1 and 2

To award the level for the AO1 or AO2 (some questions may contain both AO1 and AO2 marks) use the levels of assessment criteria **and** the guidance contained within the mark scheme to establish which level the response achieves. As per point 10 of the above marking instructions, when determining which **level** to award start at the **highest\*** level and work down until you reach the level that matches the answer.

Once you have established the correct level to award to the response you need to determine the mark within the level. The marks available for each level differ between questions. Details of how many marks are available per level are provided in the Guidance column. Where there is more than one mark available within a level you will need to assess where the response 'sits' within that level. Guidance on how to award marks within a level is provided in point 10 of the above marking instructions, with the key point being that you start at the **middle**\* of each level and work outwards until you reach the **mark** that the response achieves.

Answers, which contain no relevant material at all, should receive no marks.

\* Remember: when awarding the level you work from top downwards, when awarding the mark you work from the middle outwards.

### **Awarding Assessment Objective 3**

AO3 marks are awarded based on the marks achieved for either AO1, AO2 or in some cases, the total of AO1 and AO2. You must refer to each question's mark scheme for details of how to calculate the AO3 mark.

#### Rubric

## What to do for the questions the candidate has not answered?

The rubric for G153 instructs candidates to answer **three** questions; one from Section A, one from Section B and one from Section C. For the questions the candidate has not answered you should record **NR** (no response) in the mark column on the right-hand side of the screen. Do **not** record a 0.

What to do for the candidate who has not complied with the rubric either by answering more than three questions or by answering more or less Section A, B or C questions than is permitted?

This is a very rare occurrence.

Mark all questions the candidate has answered. Scoris will work out what the overall highest mark the candidate can achieve whilst conforming to the rubric. It will **not** 'violate' the rubric.

### Blank pages and missed answers

Sometimes candidates will skip a few pages in their answer booklet and then continue their answer. To be sure you have not missed any candidate response when you come to mark the last question in the script you <u>must</u> check every page of the script and annotate any blank <u>pages</u> with the following annotation:



This will demonstrate that every page of a script has been checked.

You <u>must</u> also check any additional pages eg A, A1 etc, which the candidate has chosen to use. Before you begin marking, use the Linking Tool, to 'link' any additional page(s) to the relevant question(s) and mark the response as normal.

# **SECTION A**

Question	Indicative content	Mark	Guidance		
1*	Potential answers may:				
	Assessment Objective 1 - Knowledge and	25	AO1 Levels	AO1 Marks	1
	understanding		5	21-25	
			4	16–20	
	Explain the difference between a bilateral offer and a		3	11–15	
	unilateral offer Carlill v Carbolic Smoke Ball Company		2	6–10	
	Explain the general rules for acceptance of a bilateral		1	1–5	
	offer, that it must be unconditional and communicated,				
	Hyde v Wrench, Felthouse v Bindley			nlikely to achieve the fo	ollowing levels
	Explain the postal rule of acceptance, acceptance		without:		
	being effective on posting, Adams v Lindsell			to cite at least 8 releva	
	Explain the exceptions to the postal rule, offer made by instant means, mistake made in posting, postal rule			ly to support their argur	
	excluded, Quenerduaine v Cole, Getreid v Contimar,			sections of the relevan ses are <b>unable</b> to achie	
	Holwell Securities v Hughes			offer, acceptance and re	
	<ul> <li>Explain the rules of acceptance by instant means, that</li> </ul>		Without addressing c	mer, acceptance and re	vocation.
	the acceptance takes effect on arrival subject to sound		Level 4 – being able	to cite at least 5 releva	ant cases to
	business practise, <i>Brinkibon v Stahag Stahl</i>			ent with accurate names	
	Explain the rules for online consumer contracts,			nd make reference to s	
	Consumer Protection (Distance Selling) Regulations,		the relevant statute,		•
	make reference to the Kodak and Argos cases.				
	Explain the battle of the forms cases where cross			to cite at least 3 releva	
	offers are made and it is not clear on what terms the			ent with clear identificati	
	contract is made, Gibson v Manchester, Trentham v			ake reference to specif	ic sections of the
	Archital Luxfer, Butler Machine Tool v Excel O Corp		relevant statute, who	ere appropriate	
	Discuss the rules for revocation of an offer, Byrne v		Laval O hainar ahla	. 4:44  4	
	Van Tienhoven			to cite at least 1 relevant	
	Discuss the rules for auctions, <i>Harris v Nickerson</i> ,			rather than accurately on sections of the relevan	
	Warlow v Harrison		appropriate	Sections of the relevant	it statute, where
	Discuss the rules for tenders, Spencer v Harding,     Market of Connected Plantage and Fiddle.		арргорпасс		
	Harvela v Royal Trust of Canada, Blackpool and Fylde		Level 1 – some accu	urate statements of fact	but there may
	Aero Club v Blackpool				

Question	Indicative content	Mark	Guidance		
	Credit any other relevant point. Credit any other relevant cases.		not be any reference confused	to relevant cases or ca	ases may be
		20	AO2 Levels  5 4 3 2 1 Responses will be unwithout:  Level 5 – a discussion developed points and these cases. Candida without comments will be unwithout comments will be unwith critical links between the cases. Candida without comments will be unwithout comments will be unwithout.	AO2 Marks  17–20  13–16  9–12  5–8  1–4  Inlikely to achieve the form which makes good to ents based on judicial inveen cases  on which uses case law dianalyses the basis of attes are unlikely to achieve focus on changes  on of at least 3 points are which have been uses	ollowing levels use of cases to reasoning and vicited to make 3 the decision in hieve level 4 in society. and making ed for the area of the decision in lest 1 cited case
	Reach any sensible conclusion Credit any other relevant comment.		answering this quest	is which may be consic ions and therefore, res s identified here, nor a	ponses are not

Questic	n Indicative content	Mark	Guidance		
			to cover all the issues	identified here.	
			Responses are unlike addressing offer, acc		
	Assessment Objective 3 – Communication and	5	AO1+AO2 marks	AO3 mark	
	presentation		37–45	5	
			28–36	4	
	Present logical and clear arguments and communicate		19–27	3	
	material in a clear and effective manner using appropriate		10–18	2	
	legal terminology. Reward grammar, spelling and punctuation		1–9	1	

**Comment [j1]:** DocProd – can you insert a row on every page for 'Question', 'Indicative content, etc...

regardless of the wishes of the parties or their knowledge

Question	Indicative content	Mark	Guidance		
	of the terms. Credit any relevant cases on Sale of Goods Act provisions. Credit description and cases on express terms only if part of a relevant AO2 comment. Credit any relevant terms implied by other statutes. Credit any other relevant point. Credit any other relevant cases.			irate statements of fact to relevant cases or ca	
	Assessment Objective 2 – Analysis, evaluation and	20	AO2 Levels	AO2 Marks	
	application		5	17–20	
	Discuss the reasons for implying terms at common		3	13–16 9–12	
	law; being to make sense of the contract and not to		2	9-12 5-8	
	make it more fair		1	1–4	
	<ul> <li>make it more fair</li> <li>Discuss the common reason at common law being that terms are implied in many commercial cases because both parties should be expecting the term to be implied</li> <li>Discuss whether terms may be implied by the courts as a means to standardise certain contracts and give recognition to usual trade practise</li> <li>Discuss the general reason for the reluctance to improve contracts through implied terms at common law; that this interferes with the bargain that has been struck by the parties, and can cause uncertainty if the deal that has been made is interfered with</li> <li>Discuss whether implying terms into a contract amounts to the courts making the contract for the parties</li> </ul>		without:  Level 5 – a discussion develop clear argum with critical links between achieve Level 5 without statutory implied term.  Level 4 – a discussion developed points and these cases.  Level 3 – a discussion discussion developed points and these cases.	on which makes good usents based on judicial reveen cases. Responses but addressing both conson which uses case law d analyses the basis of the conformation of at least 3 points ar	se of cases to easoning and are unable to mon law and cited to make 3 the decision in
	<ul> <li>Responses may make a comparison to the blue pencil rule in the restraint of trade topic, that the rule will not be used to improve a restraining term or make it fairer</li> <li>Compare the reasons for terms being implied into contracts by statute:</li> <li>That these terms give essential protection to</li> </ul>		law being considered <b>Level 2</b> – a discussion	es which have been used  on of the reasons for the ude comment on at leas	decision in

Question	Indicative content	Mark	Guidance
	<ul> <li>consumers who have an inequality of bargaining power with the shops who they make contracts with</li> <li>Comment that in contrast to common law implied terms, the law is clearly willing to improve contracts and make them fairer</li> <li>Comment that these terms are implied as conditions of the contract in order to maximise the benefit to consumers, and that these terms cannot be excluded by an express term in the contract</li> <li>Discuss the fact that these terms are implied as positive obligations on sellers as opposed to the common law approach of giving effect to the true intentions of the parties</li> <li>Comment that there is no uncertainty if terms are implied by statute as statutes have prospective effect and the parties are in a position to know the implied terms that will be in the contract.</li> <li>Reach any sensible conclusion</li> <li>Credit any other relevant comment.</li> </ul>		Level 1 – an awareness of the area of law identified by the question
	Assessment Objective 3 – Communication and presentation  Present logical and clear arguments and communicate material in a clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation	5	AO1+AO2 marks         AO3 mark           37-45         5           28-36         4           19-27         3           10-18         2           1-9         1

Question	Indicative content	Mark	Guidance		
3*	Potential answers may:				
	Assessment Objective 1 – Knowledge and	25	AO1 Levels	AO1 Marks	1
	understanding		5	21-25	
			4	16–20	
	Explain that undue influence is an equitable doctrine		3	11–15	
	and that the courts will help a party if another has		2	6–10	
	taken advantage of a relationship. Explain that undue		1	1–5	
	influence makes a contract voidable				
	Explain the rules on Class 1 (actual) undue influence,			nlikely to achieve the fo	ollowing levels
	where there is actual evidence of improper conduct		without:		
	<ul> <li>taking place BCCI v Aboody, Williams v Bayley</li> <li>Explain the situations where a presumption of undue</li> </ul>			to cite at least 8 releva	
	influence will arise based on recognised relationships,			y to support their argur sections of the relevan	
	sometimes called Class 2A, such as doctors, lawyers			ses will be unlikely to a	
	and spiritual advisors, <i>Allcard v Skinner</i>			f both certainty and just	
	Explain the situations where undue influence will arise		Without disoussion of	both containty and just	
	based on a relationship which has developed over		Level 4 – being able	to cite at least 5 releva	ant cases to
	time and where one party has come to trust the other,			ent with accurate names	
	sometimes called class 2B, Lloyds Bank v Bundy,		factual description ar	nd make reference to s	pecific sections of
	Watson v Huber		the relevant statute,	where appropriate	
	Explain the requirement of 'a transaction that requires				
	explanation', formerly known as a manifest			to cite at least 3 releva	
	disadvantage, Allcard v Skinner, Nat West Bank v			nt with clear identificat	
	Morgan. In Turkey v Awadh this was expressed as 'a			ake reference to specif	ic sections of the
	transaction which cannot be explained by the ordinary		relevant statute, whe	ere appropriate	
	motives by which people are accustomed to act'.  Explain that this is not a requirement in a case of		Level 2 - being able	to cite at least 1 releva	ant case although
	actual undue influence, CIBC v Pitt			rather than accurately of	
	Explain the cases involving undue influence and third			sections of the relevan	
	parties, where a bank may be placed on constructive		appropriate		
	notice of the likelihood of undue influence taking place		' '		
	Royal Bank Scotland v Etridge, Barclays Bank v			rate statements of fact	
	O'Brien			to relevant cases or ca	ases may be
	Explain that presumed undue influence and		confused		

<ul> <li>Consider whether the cases in which a claim of undue influence has been based on a proven relationship of trust existing between the parties have led to satisfactory outcomes, such as between the bank and client in <i>Lloyds Bank v Bundy</i></li> <li>Consider whether the further requirement in class 2 cases, that there should be a contract which requires further explanation, can have the effect of limiting the right of a party to claim undue influence and whether</li> </ul>	Question	Indicative content	Mark	Guidance
Consider whether it is satisfactory that there is no definition of actual undue influence and that within the framework laid down in this topic it is up to the court to examine each case on its merits — consider whether this leads to adequate certainty in the law and whether this is a reasonable price to pay for the courts having a general discretion to look at the merits of a case.      Consider whether the traditional list of relationships that can lead to a case of class 2A presumed undue influence is still relevant and whether justice would be better served by looking at each case on its individual merits      Consider whether the cases in which a claim of undue influence has been based on a proven relationship of trust existing between the parties have led to satisfactory outcomes, such as between the bank and client in <i>Lloyds Bank v Bundy</i> Consider whether the further requirement in class 2 cases, that there should be a contract which requires further explanation, can have the effect of limiting the right of a party to claim undue influence and whether		<ul> <li>adequate legal advice has been given to the more vulnerable party, RBS v Etridge</li> <li>Explain the remedy of restitution, and that the court has wide discretion to do justice between the parties, Cheese v Thomas</li> <li>Credit any other relevant point.</li> </ul>		
this limitation is justified  • Consider whether Lord Denning's view, that there    Level 1 – an awareness of the area of law identified by the question		<ul> <li>Consider whether it is satisfactory that there is no definition of actual undue influence and that within the framework laid down in this topic it is up to the court to examine each case on its merits – consider whether this leads to adequate certainty in the law and whether this is a reasonable price to pay for the courts having a general discretion to look at the merits of a case.</li> <li>Consider whether the traditional list of relationships that can lead to a case of class 2A presumed undue influence is still relevant and whether justice would be better served by looking at each case on its individual merits</li> <li>Consider whether the cases in which a claim of undue influence has been based on a proven relationship of trust existing between the parties have led to satisfactory outcomes, such as between the bank and client in <i>Lloyds Bank v Bundy</i></li> <li>Consider whether the further requirement in class 2 cases, that there should be a contract which requires further explanation, can have the effect of limiting the right of a party to claim undue influence and whether this limitation is justified</li> </ul>	20	5 17–20 4 13–16 3 9–12 2 5–8 1 1–4  Responses will be unlikely to achieve the following levels without:  Level 5 – a discussion which makes good use of cases to develop clear arguments based on judicial reasoning and with critical links between cases  Level 4 – a discussion which uses case law cited to make 3 developed points and analyses the basis of the decision in these cases  Level 3 – a discussion of at least 3 points and making reference to the cases which have been used for the area of law being considered  Level 2 – a discussion of the reasons for the decision in some cases and include comment on at least 1 cited case  Level 1 – an awareness of the area of law identified by the

Question	Indicative content	Mark	Guidance		
	should be a general right to avoid a contract that has been based on an inequality of bargaining power, as expressed in Lloyds Bank v Bundy, should be adopted by the courts  Consider whether a co-owner of property, such as a spouse, is now adequately protected after the judgement in Etridge. Consider whether the requirement of advice is sufficient to protect someone from the reality of an overbearing relationship  Consider whether banks should allow someone to enter a contract that is so obviously disadvantageous that no sensible person would do so  Reach any sensible conclusion  Credit any other relevant comment.				
	Assessment Objective 3 – Communication and presentation  Present logical and clear arguments and communicate material in a clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation	5	AO1+AO2 marks 37-45 28-36 19-27 10-18 1-9	AO3 mark 5 4 3 2 1	

## **SECTION B**

Question	Indicative content	Mark	Guidance		
4*	Potential answers may:				
					_
	Assessment Objective 1 – Knowledge and	25	AO1 Levels	AO1 Marks	
	understanding		5	21-25	
			4	16–20	
	<ul> <li>Define repudiatory breach, one which entitles the other</li> </ul>		3	11–15	
	party to end the contract		2	6–10	
	<ul> <li>Explain the consequences of breach of a condition,</li> </ul>		1	1–5	
	allowing the innocent party to terminate the contract				
	and claim damages in all cases		Responses will be un	nlikely to achieve the fo	llowing levels
	Explain the situations where the court will still use		without:		
	conditions today;			to cite at least 6 releva	
	- using the Sale of Goods Act to illustrate statutory			ly to support their argun	
	implied conditions;			sections of the relevan	t statute, where
	- using <i>Bunge v Tradax</i> to illustrate identification as a		appropriate		
	condition due to customary trade usage; - using Lombard v Butterworth to illustrate definition of		Laval 4 hadan abla	to alterations of malacia	
	the term by the parties themselves (though note			to cite at least 5 releva	
	Schuler v Wickman where the courts ignored the			ent with accurate names and make reference to sp	
	parties' own definition of a term as a condition)			where appropriate. Car	
	- using Couchman v Hill and Barber v NWS Bank to			evel 4 without a clear de	
	illustrate the courts using conditions where the term is		citation of innominate		Scription with
	fundamental to the contract and where every breach is		ortation of inflorminate	o torrilo	
	likely to be serious		Level 3 – being able	to cite at least 3 releva	ont cases to
	<ul> <li>Define innominate terms, using cases such as Hong</li> </ul>			ent with clear identificati	
	Kong Fir Shipping v Kawasaki Kisen Kaisha			ake reference to specifi	
	<ul> <li>Explain the consequences of breach of an innominate</li> </ul>		relevant statute, whe		-
	term, allowing the innocent party to terminate the		,		
	contract and claim damages if they are deprived of		Level 2 - being able	to cite at least 1 releva	nnt case although
	substantially the whole benefit of the contract. Use		it may be described	rather than accurately o	cited and make
	cases such as Hansa Nord to illustrate a non-		reference to specific	sections of the relevant	t statute, where
	repudiatory breach of an innominate term		appropriate		
	<ul> <li>Explain the consequences of breach of a warranty,</li> </ul>				

Question	Indicative content	Mark	Guidance		
	allowing the innocent party to claim damages but not to terminate the contract  • Explain the way in which the court approaches the identification of any particular term, using the criteria laid out in <i>Kawasaki</i> Credit any relevant explanation of the law on frustrated contracts.  Credit any other relevant point.  Credit any other relevant cases.		Level 1 – some accurate statements of fact but there may not be any reference to relevant cases or cases may be confused		
	Assessment Objective 2 – Analysis, evaluation and application	20	AO2 Levels         AO2 Marks           5         17–20		
	· · ·		4 13–16		
	The damaged cloth		3 9–12		
	Identify that this is a breach of the term that the cloth		2 5–8		
	must be undamaged		1 1–4		
	<ul> <li>Identify that there are no reasons to see this as a condition and so the term will be seen as innominate</li> <li>Discuss whether 50% damage can be seen as substantially the whole benefit of the contract</li> <li>Come to a reasoned conclusion on the facts</li> <li>Responses may also identify that this can be seen as a breach of the implied term that goods are delivered in satisfactory condition. This term is a condition and breach of it is likely to be repudiatory.</li> </ul>	<ul> <li>condition and so the term will be seen as innominate</li> <li>Discuss whether 50% damage can be seen as substantially the whole benefit of the contract</li> <li>Come to a reasoned conclusion on the facts</li> <li>Responses may also identify that this can be seen as a breach of the implied term that goods are delivered in satisfactory condition. This term is a condition and</li> </ul>		Responses will be unlikely to achieve the following levels without:  Level 5 – Identification of all relevant points of law in issue, applying points of law accurately and pertinently to a given factual situation and reaching a cogent, logical and well informed conclusion. Candidates are unlikely to achieve lev 5 without addressing all 3 terms in the question.	
	<ul> <li>The late payment</li> <li>Identify that this is a breach of the express contract term that payment should be made within 2 weeks of delivery</li> <li>Identify that this contract term is not expressed to be a condition, or of the essence, and so is likely to be seen as an innominate term</li> <li>Identify that breach of this term by Bill does not deprive Jan of substantially the whole benefit of the</li> </ul>		Level 4 –Identification of the main points of law in issue, applying points of law clearly to a given factual situation, an reaching a sensible and informed conclusion. Candidates at unlikely to achieve level 4 without applying innominate term  Level 3 – identification of the main points of aw in issue, applying points of law mechanically to a given factual situation and reaching a conclusion	re	

Question	Indicative content	Mark	Guidance
	<ul> <li>contract and damages will be sufficient remedy in the form of interest for late payment</li> <li>Conclude that this breach does not give grounds for Jan to repudiate the contract.</li> <li>No-one to unload the cloth</li> <li>Identify that this is a breach of the express contract term that Bill will provide people to unload the van</li> <li>Identify that this term is stated to be a condition in the contract between Bill and Jan</li> <li>Conclude that any breach of this term will be repudiatory and that Jan will have the right to end the contract and claim damages</li> <li>Responses may discuss whether labelling the term as a condition was intended by the parties to be a used in its technical sense, as in Schuler v Wickman. Credit will be given for a discussion which suggests that in the context of this contract the parties may not have intended that any failure to provide people to unload the van will result in Jan having the right to terminate the contract.</li> <li>Credit any relevant application of the law on frustrated contracts.</li> <li>Credit any other relevant comment.</li> </ul>		Level 2 – Identification of some of the points of law in issue and applying points of law to a given factual situation but without a clear focus or conclusion  Level 1 – Identification of at least one of the points of law in issue but with limited ability to apply points of law or to use an uncritical and/or unselective approach
	Assessment Objective 3 – Communication and presentation  Present logical and clear arguments and communicate material in a clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation	5	AO1+AO2 marks         AO3 mark           37-45         5           28-36         4           19-27         3           10-18         2           1-9         1

Question	Indicative content	Mark	Guidance		
5*	Potential answers may:				
	Assessment Objective 1 – Knowledge and	25	AO1 Levels	AO1 Marks	
	understanding		5	21-25	
			4	16–20	
	Explain the consequences of economic duress on a		3	11–15	
	contract, that it becomes voidable		2	6–10	
	Explain that in order to claim economic duress there		1	1–5	
	must be an unlawful threat, that this can be to breach a contract <i>Atlas Express v Kafco</i> , or to commit a tort <i>Universal Tankships v ITWF</i>		without:	nlikely to achieve the fo	-
	<ul> <li>Explain that ordinary commercial pressure will not amount to an unlawful threat or to duress. This could be a threat not to renew a contract or to let a company go bankrupt; The Siboen and Sibotre, CTN Cash and Carry v Gallagher, or merely an indication that a party</li> </ul>	Level 5 – being able to cite at least 6 relevant cases accurately and clearly to support their argument and mareference to specific sections of the relevant statute what appropriate			ment and make
	<ul> <li>is unable to continue with a contract William v Roffey</li> <li>Explain that the threat must have vitiated the consent of the other party and left them with no realistic alternative but to comply with the threat Atlas Express, Pao On v Lau Yiu Long</li> </ul>		Level 4 – being able to cite at least 5 relevant cases to support their argument with accurate names and some factual description and make reference to specific sections the relevant statute where appropriate  Level 3 – being able to cite at least 3 relevant cases to support their argument with clear identification and some relevant facts and make reference to specific sections of the relevant statute where appropriate		
	Explain that the party seeking to claim duress must have protested at the time and must not hesitate in taking legal action to avoid the contract Pao On, The Atlantic Baron, DSND Subsea				
	<ul> <li>Explain that the right to end a contract for duress may be lost through lapse of time, Atlantic Baron Credit any other relevant point.</li> <li>Credit any other relevant cases.</li> </ul>		it may be described i	to cite at least 1 relevant rather than accurately of sections of the relevan	cited and make
				rate statements of fact to relevant cases or ca	

Question	Indicative content	Mark	Guidance Guidance		
	Assessment Objective 2 – Analysis, evaluation and	20	AO2 Levels	AO2 Marks	
	application		5	17–20	
			4	13–16	
	Movers and Stitches		3	9–12	
	Discuss whether Movers have made an illegitimate		2	5–8	
	threat. When they demanded an extra 25% this could		1	1–4	
	be seen as an implied threat to breach the contract				•
	however this was not clearly the case.		Responses will be un	nlikely to achieve the fo	llowing levels
	Discuss whether the threat put Stitches into a position		without:		
	where they had no real choice but to comply. Stitches				
	say they have no choice but to comply and are also a			on of all relevant points	
	newly formed company who may be hit hard if they			w accurately and pertine	
	have to make alternative arrangements at short notice			reaching a cogent, logic	
	Discuss other factors which indicate possible duress,			Candidates are unlikel	
	in this case Stitches indicate from an early point that		5 without addressing	all the issues in the qu	estion.
	they are not happy to pay extra money to Movers.				
	Discuss whether Stitches taking 2 months to decide     that they are unable to continue with the higher.			on of the main points of	
	that they are unable to continue with the higher			w clearly to a given fact	
	<ul> <li>payments would amount to a lapse of time</li> <li>Distinguish this case from Williams v Roffey because</li> </ul>		reaching a sensible a	and informed conclusion	1.
	Distinguish this case from <i>Williams v Roffey</i> because     Williams was clearly a one man trader with no financial		Lovel 3 identificat	ion of the main points o	f aw in issue
	reserves, Movers appears to be a larger concern with			w mechanically to a give	
	possibly more flexibility as they are known to have at		situation and reaching		Siriacidai
	least 2 clients		Situation and readili	ig a conclusion	
	Come to a reasoned conclusion on the facts, likely to		Level 2 – Identificat	ion of some of the point	s of law in issue
	be that there was no economic duress unless the court			of law to a given factual	
	decides there was an implied threat.		without a clear focus		
	account may an implication out				
	Movers and Dents		Level 1 – Identification of at least one of the points of law in		e points of law in
	Discuss whether Movers have made an illegitimate		issue but with limited ability to apply points of law or to use		of law or to use
	threat. In this case it looks like they haven't because		an uncritical and/or unselective approach		
	the threat was not to renew the contract once it has				
	expired, this is likely to be seen as a legitimate		Need to insert guidance as to what level can be achieved if		n be achieved if
	business threat and not one which can form the basis		not all issues covere	ed .	
	of a claim in duress				

Question	Indicative content	Mark	Guidance		
	<ul> <li>Discuss whether the threat put Dents into a position where they had no choice but to agree. Even if the threat was illegitimate it does not look like it had a vitiating effect on the Dents in forcing them to pay extra. As they have been in business for 50 years they are likely to make more informed business decisions.</li> <li>Discuss other factors relevant to duress – Dents did not protest and when they made the increased payments which would make it more difficult for them to claim duress. Also they waited 6 months before protesting which might count as a lapse of time.</li> <li>Come to a reasoned conclusion on the facts, likely to be that there was no duress.</li> </ul>				
	Assessment Objective 3 – Communication and presentation  Present logical and clear arguments and communicate material in a clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation	5	AO1+AO2 marks 37–45 28–36 19–27 10–18 1–9	AO3 mark 5 4 3 2 1	

Question	Indicative content	Mark	Guidance		
6*	Potential answers may:				
		0.5			<b>¬</b>
	Assessment Objective 1 – Knowledge and	25	AO1 Levels	AO1 Marks	
	understanding		5	21-25	
	Explain the effect of frustration on a contract that it		4	16–20	4
	Explain the effect of frustration on a contract, that it becomes void.		3	11–15	_
	Explain the ways in which a contract may be		2	6–10	
			1	1–5	
	<ul> <li>Impossibility of performance, Nichol and Knight v Ashton Eldridge, but not mere difficulty or extra expense, Tsakiroglou v Noblee Thorl</li> <li>Radical change of circumstances, where performance of the contract would amount to something very different to what was originally anticipated, Krell v Henry, Herne Bay v Hutton</li> <li>Illegality of performance, Fibrosa v Fairbarn Lawson.</li> <li>Explain the circumstances where the courts will decide that frustration will not apply.</li> <li>Where performance would be possible but more difficult or expensive than originally anticipated, Tsakiroglou.</li> <li>Where the change of circumstances is not sufficiently radical, Herne Bay v Hutton, Davis Contractors v Fareham.</li> <li>Where the potentially frustrating event was anticipated by the parties, as frustration is where something has happened which was not contemplated by the parties Amalgamated Investment v John Walker.</li> <li>Where the impossibility of performance was due to the fault of one of the parties or due to their choice to use other means to perform a contract, The Super Servant</li> </ul>		without: Level 5 – being able accurately and clear reference to specific appropriate  Level 4 – being able support their argume factual description a the relevant statute,  Level 3 – being able support their argume relevant facts and m relevant statute, whe Level 2 – being able it may be described reference to specific appropriate  Level 1 – some accurate.	e to cite at least 3 relevant with clear identificat ake reference to specifiere appropriate to cite at least 1 relevant than accurately sections of the relevant that the statements of factive to cite at least 1 relevant than accurately sections of the relevant that the statements of factive to cite at least 1 relevant than accurately sections of the relevant that the statements of factive that the statements of factive to cite at least 3 relevant to cite at least 1 relevant 1 rel	ant cases ment and make nt statute, where  ant cases to es and some specific sections of  ant cases to tion and some fic sections of the  ant case although cited and make nt statute, where
	2.		confused	e to relevant cases or c	ases may be
	Where the parties have included, a force majeure     term everses provision for what will be provide an		Confused		
	term, express provision for what will happen in such an		<u> </u>		

Indicative content	Mark	Guidance		
event, Bangladesh Export Import v Sucden Kerry  Explain the provisions of the Law Reform (Frustrated Contracts) Act 1943  • Section 1(2) where money paid in advance of the frustrating event may be reclaimed minus justified expenses, ICM v Gamerco  • Section 1(3) where a party has to account for any unjust enrichment they would have gained because of the frustrating event, BP v Hunt  Credit any other relevant point.  Credit any other relevant cases.		Need to insert guidance as to what level can be achieved if not all issues covered		
<ul> <li>Assessment Objective 2 – Analysis, evaluation and application</li> <li>Jasmine and Aurus</li> <li>Discuss whether the contract has been frustrated, here the likely outcome is that it is frustrated due to impossibility of performance although an alternative argument is frustration due to illegality as it would have been unlawful to enter the closed road. Discuss whether there are any factors which would prevent frustration taking place in this scenario, there probably are none</li> <li>Discuss the financial consequences that would arise – here Jasmine would be entitled to her money back minus any just expenses which might arise from preparing for the concert, under s 1(2) of the 1943 Act</li> <li>Conclude that the contract has been frustrated and a financial claim may be made.</li> <li>Megabad and Jumpies</li> <li>Discuss whether the contract to provide the trampolines has been frustrated by the fire. In this case</li> </ul>	20	AO2 Levels  5 17–20 4 13–16 3 9–12 2 5–8 1 1—4  Responses will be unlikely to achieve the following levels without:  Level 5 – Identification of all relevant points of law in issue, applying points of law accurately and pertinently to a given factual situation and reaching a cogent, logical and well informed conclusion. Candidates are unlikely to achieve leve 5 without addressing all the issues in the question.  Level 4 – Identification of the main points of law in issue, applying points of law clearly to a given factual situation, and reaching a sensible and informed conclusion.  Level 3 – identification of the main points of aw in issue, applying points of law mechanically to a given factual		

Question	Indicative content	Mark	Guidance
Question	would be no point as the concert has been cancelled. Responses should consider whether this amounts to a radical change of circumstances and draw a reasoned conclusion  Discuss the financial consequences which arise in this situation – if the contract is not frustrated then Megabad will be liable to pay Jumpies the full contract price  Discuss that if the contract has been frustrated then Jumpies can consider a claim under s 1(3) of the act however as no benefit accrued to Megabad before the frustrating event there is no unjust enrichment and Jumpies will not have a claim  Reach a sensible conclusion based on the line of reasoning taken, likely to be that the contract has been frustrated.  Megabad and Aurus  Discuss whether the contract to hold the concert has been frustrated due to the fire. Although this looks like frustration due to impossibility the fact that Aurus gave themselves a choice of venue in the original contract means that this would amount to self-induced frustration and thus not frustration at all. This would mean that Aurus would be liable to Megabad in breach of contract  Discuss the financial consequences between these 2 parties – as the contract is not frustrated Aurus would be liable to pay the full contract price to Megabad  Reach a relevant conclusion, likely to be that the contract has not been frustrated.  Credit any other relevant comment.	Mark	Cevel 2 - Identification of some of the points of law in issue and applying points of law to a given factual situation but without a clear focus or conclusion    Level 1 - Identification of at least one of the points of law in issue but with limited ability to apply points of law or to use an uncritical and/or unselective approach
	Credit any other relevant comment.		

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Question	Indicative content	Mark	Guidance		
	Assessment Objective 3 – Communication and	5	AO1+AO2 marks	AO3 mark	
	presentation		37–45	5	
			28–36	4	
	Present logical and clear arguments and communicate		19–27	3	
	material in a clear and effective manner using appropriate		10–18	2	
	legal terminology. Reward grammar, spelling and		1–9	1	
	punctuation				

## **SECTION C**

Qu	estior	n	Indicative content	Mark	Guidance		
7	(a)		Potential answers may:		AO2 Levels	AO2 Marks	
					5	5	
			Assessment Objective 2 – Analysis, evaluation and		4	4	
			application		3	3	
					2	2	
			P1 Reason that Greg would need to show that Dawn made a false statement of fact	5	1	1	
			P2 Reason that a statement of future intent is only a false statement of fact if it was untrue at the time it was made				
			P3 Reason that Dawn may have been telling the truth when she made the statement				
			P3 (a) Reason that Dawn was not telling the truth when she made the statement				
			P4 Reason that Dawn has not made a false statement of fact				
			P4 (a) Reason that Dawn has made a false statement of fact				
			P5 Conclude that the statement is inaccurate.				
			P5 (a) Conclude that the statement is inaccurate				
	(b)		P1 Reason that Greg must show that he was induced into the contract by the false statement	5			
			P2 Reason that a false statement must be at least partly relevant in inducing the other party to enter a contract				
			P3 Reason that in this case Greg seems to have been influenced by the statements that Dawn made				
			P3 (a) Reason that in this case Greg was not influenced by the statements that Dawn made				
			P4 Reason that Greg will be able to claim a misrepresentation				
			P4 (a) Reason that Greg will not be able to claim a misrepresentation				
			P5 Conclude that the statement is inaccurate.				

Question	Indicative content	Mark	Guidance
	P5 (a) Conclude that the statement is inaccurate		
(c)	P1 Reason that the kind of misrepresentation that Paula made will depend on her level of knowledge when she made the false statement P2 Reason that a fraudulent misrepresentation is one which is made dishonestly, without belief in its truth or recklessly P3 Reason that Dawn has no reason to think that Paula is about to join the gym and that statement can be seen as reckless P4 Reason that this would amount to a fraudulent	5	
	misrepresentation by Dawn		
	P5 Conclude that the statement is accurate.		
(d)	P1 Reason that if the statement about Paula is a fraudulent misrepresentation it can also be claimed to be a statutory misrepresentation as an alternative P2 Reason that a statutory misrepresentation is easier to claim because the burden of proof shifts to the maker of the statement to justify what they have said, and in most cases the damages available will be the same P3 Reason that in this case if Greg claims statutory misrepresentation Dawn would have to show reasonable grounds for making the statement about Paula	5	
	P4 Reason that the remedies for both kinds of misrepresentation are much the same		
	P5 Conclude that the statement is accurate.		

Questio	n Indicative content	Mark	Guidance		
8 (a)	Potential answers may:		AO2 Levels	AO2 Marks	
			5	5	
	Assessment Objective 2 – Analysis, evaluation and		4	4	
	application		3	3	
			2	2	
	P1 Reason that Louise can't enforce a promise from Sanjit without giving consideration	5	1	1	
	P2 Reason that performance of a duty imposed by law is not good consideration				
	P3 Reason that there is a legal obligation on Louise not to break the speed limit				
	P4 Reason that Louise does not give good consideration				
	for the promise				
(1-)	P5 Conclude that the statement is accurate.		-		
(b)	P1 Reason that it will not be good consideration if Louise	5			
	merely performs her existing obligation to Sanjit P2 Reason that if Sanjit obtains some practical benefit				
	from promising Louise extra money for taking on more				
	work this will be seen as good consideration from her				
	P3 Reason that Louise avoided Sanjit having to get extra				
	staff in to cover Rula's work				
	P4 Reason that Louise does give extra consideration for				
	Sanjit's promise				
	P5 Conclude that the statement is inaccurate.				
(c)	P1 Reason that Louise has an existing obligation to Sanjit	5	-		
` ′	to complete the work that Rula is promising to reward				
	her for				
	P2 Reason that one obligation can be good consideration				
	for two other people's promises				
	P3 Reason that if Louise does some extra work this can				
	be good consideration for both Sanjit and Rula				
	P4 Reason that Louise does provide good consideration				
	for Rula's promise				
	P5 Conclude that the statement is inaccurate.				

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Question	Indicative content	Mark	Guidance
(d)	P1 Reason that Louise's consideration for Sanjit's promise is past consideration P2 Reason that past consideration is good consideration if a reward was in the minds of the parties and the promisee acted at the promisor's request P3 Reason that Louise did the extra work because Sanjit asked her to but she was not expecting an extra reward because she had already been promised a bonus P4 Reason that Louise does not give good consideration for the promise of the extra holiday P5 Conclude that the statement is accurate.	5	

#### APPENDIX 1 - Advanced GCE Law Levels of Assessment

There are **five** levels of assessment of AOs 1 and 2 in the A2 units. The first four levels are very similar to the four levels for AS units. The addition of a fifth level reflects the expectation of higher achievement by Responses at the end of a two-year course of study. There are **four** levels of assessment of AO3 in the A2 units. The requirements and number of levels differ between AS and A2 units to reflect the expectation of higher achievement by Responses at the end of a two-year course of study.

Level	Assessment Objective 1	Assessment Objective 2	Assessment Objective 3 (includes QWC)
5	Wide ranging, accurate, detailed knowledge with a clear and confident understanding of relevant concepts and principles. Where appropriate Responses will be able to elaborate with wide citation of relevant statutes and case-law.	Ability to identify correctly the relevant and important points of criticism showing good understanding of current debate and proposals for reform <b>or</b> identify all of the relevant points of law in issue. A high level of ability to develop arguments <b>or</b> apply points of law accurately and pertinently to a given factual situation, and reach a cogent, logical and well-informed conclusion.	
4	Good, well-developed knowledge with a clear understanding of the relevant concepts and principles. Where appropriate Responses will be able to elaborate by good citation to relevant statutes and case-law.	Ability to identify and analyse issues central to the question showing some understanding of current debate and proposals for reform <b>or</b> identify most of the relevant points of law in issue. Ability to develop clear arguments <b>or</b> apply points of law clearly to a given factual situation, and reach a sensible and informed conclusion.	An accomplished presentation of logical and coherent arguments and communicates relevant material in a very clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation.
3	Adequate knowledge showing reasonable understanding of the relevant concepts and principles. Where appropriate Responses will be able to elaborate with some citation of relevant statutes and case-law.	Ability to analyse most of the more obvious points central to the question <b>or</b> identify the main points of law in issue. Ability to develop arguments <b>or</b> apply points of law mechanically to a given factual situation, and reach a conclusion.	A good ability to present logical and coherent arguments and communicates relevant material in a clear and effective manner using appropriate legal terminology.  Reward grammar, spelling and punctuation.
2	Limited knowledge showing general understanding of the relevant concepts and principles. There will be some elaboration of the principles, and where appropriate with limited reference to relevant statutes and case-law.	Ability to explain some of the more obvious points central to the question <b>or</b> identify some of the points of law in issue. A limited ability to produce arguments based on their material <b>or</b> limited ability to apply points of law to a given factual situation but without a clear focus or conclusion.	An adequate ability to present logical and coherent arguments and communicates relevant material in a reasonably clear and effective manner using appropriate legal terminology.  Reward grammar, spelling and punctuation.
1	Very limited knowledge of the basic concepts and principles. There will be limited points of detail, but accurate citation of relevant statutes and case-law will not be expected.	Ability to explain at least one of the simpler points central to the question or identify at least one of the points of law in issue. The approach may be uncritical and/or unselective.	A limited attempt to present logical and coherent arguments and communicates relevant material in a limited manner using some appropriate legal terminology.  Reward grammar, spelling and punctuation.

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