

**GCE** 

Law

Unit G156: Law of Contract Special Study

Advanced GCE

Mark Scheme for June 2015

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

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.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

© OCR 2015

# G156 Mark Scheme June 2015

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

Annotation	Meaning
1	Q1&3 AP1
2	Q1&3 AP2
3	Q1&3 AP3
4	Q1&3 AP4
5	<b>Q1</b> AP5
A2	<b>Q2</b> AO2
Е	Q1&3 Critical Point Q2 Case
CON	Q2 Bald case Q3 Conclusion
×	ALL Not correct / Page checked for response
LNK	Q1 Linked case Q2 Link to source
3	ALL Not Relevant or Too vague Also no response or response achieves no credit
REP	ALL Repetition/or 'noted' where a case has already been used in the response
SC	Q2 Synopticism
<b>✓</b>	Q1 Use of word 'significance', 'importance' etc Q2 AO1

### **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.
- 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.
- 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.
- \*4 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.

#### Aw

# **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.

# 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 pages with an 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.

Question	Indicative Content	Mark	k Guidance		
Question 1*	Assessment Objective 2 - Analysis, evaluation and application  CP This was a case about whether and how a broker could enforce a commission term in a contract to which he was not a party and which had an arbitration clause in it. It raised important questions of interpretation of section 1 (and section 8) of the C(RTP)A. It was held that the broker could benefit from the Act. This is the first case under the C(RTP)A and hence the first opportunity for the courts to interpret it  LNK Link to any other relevant case eg Tweddle v  Atkinson, Dunlop v Selfridge, Prudential Assurance Co Ltd v Ayres, Laemthong Glory, Les Affréteurs Réunis v  Walford, Re Schebsman, Vandepitte v Preferred Accident Corp of New York etc  Discuss the case analytically (AP), for example making points such as:  1 The C(RTP)A receives notable praise by the judge showing some continuing judicial support for the reforms. It is described as removing a 'grave defect in the law which could give rise to considerable injustice'  2 The judge interprets section 1(1)(b) and section 1(2) very much to the advantage of third parties: if a contract is neutral regarding conferring a right of enforcement, section1(2) does not disapply section 1(1)(b). Clear evidence is required for section 1(2) to operate  3 It may be argued that the judge's interpretation favours	12	AO2 Levels  5 4 3 2 1  CP – Max 3 mark Linked to the mat facts of the case of	erial point/ratio — but these are not ce and line reference to receive the one needs to be given as for any Applied a single points, throints which are wese up to a maximal rks for a relevant, as linked for a particular some development as linked ment, without may be importance of the lit can only be gitted.	ree points which are ell-developed or a mum of 6 marks linked case icular point. Marks can be 1 mark for the name of the nt and 1 mark for a link to  Level 5 without discussing case for the purpose of aking two analytical points he case.
	section1(2) does not disapply section 1(1)(b). Clear evidence is required for section 1(2) to operate		Re: AP Please note cred	lit can only be gi to <i>Nisshin</i> . Hen	

Question	Indicative Content	Mark	Guidance
	standard form contracts exclude the Act as a matter of course  4 He rejects the argument that the creation of a trust of the promise must preclude access to the C(RTP)A. Indeed, the C(RTP)A is argued to be much more convenient than the 'cumbrous fiction' of the trust  5 It is an interesting example of a court using extrinsic aids to interpret a statute (including the Law Commission Report, academic articles, the Act's legislative history and LCD's explanatory notes)  6 He interprets section 8 of the C(RTP)A as analogous to assignment and thus arbitration agreements would be binding on third party beneficiaries  Consider any other relevant analytical comment(s)		Re: LNK Please note credit can only be given for the link case where there is a specific link to Nisshin.
	Assessment Objective 3 - Communication and presentation  Present logical and coherent arguments and communicate relevant material in a clear and effective manner using appropriate legal terminology. Reward grammar, spelling and punctuation.	4	AO2 Marks         AO3 Mark           10-12         4           7-9         3           4-6         2           1-3         1

Question	Indicative Content	Mark	Guidance		
2*	Potential answers may:		AO1 Levels	AO1 Marks	
		40	5	14–16	_
		16	4	11–13	
	Assessment Objective 1 - Knowledge and		3	8–10	4
	understanding		2	5–7	-
	<ul> <li>Explain the basic rules of privity:         <ul> <li>A person cannot be subject to a burden under a contract to which they are not a party</li> <li>A person cannot sue on a contract to which they are not a party even if the object of the contract is for their own benefit (Tweddle v Atkinson, Dunlop v Selfridge, Beswick v Beswick)</li> </ul> </li> <li>Explain the solutions to the problems of privity developed by the courts         <ul> <li>Collateral Contracts (Shanklin Pier v Detel, Charnock v Liverpool Corp)</li> <li>Suing for damages on behalf of another (Dunlop v Lambert, The Albazero, Jackson v Horizon Holidays, Woodar v Wimpey, Linden Gardens v Lenesta Sludge Disposals, Darlington BC v Wiltshier Northern, Alfred McAlpine v Panatown)</li> <li>Transferring the benefit of exemption clauses (Scruttons v Midlands Silicone, Woodar v Wimpey, The Eurymedon, The Mahkutai)</li> <li>Trusts of the promise (Les Affréteurs Réunis v Walford, Re Schebsman, Vandepitte v Preferred Accident Corp of New York)</li> <li>Credit should be given to more specialist exceptions such as agency and covenants but these are not required for full marks</li> </ul> </li> </ul>		ranging, accurate confident underst of the law in this a developed explandefinitions of this law provisions, what achieve level 5 where are developed*. For the pre-release marea of law.  Level 4  Responses are undeveloped knowled relevant concepts would include good area of law to include relevant. Responses are undeveloped knowled relevant concepts would include good area of law to include relevant.	detailed knowled anding of relevantarea. This would interest and wide rarea of law to incomplete relevant. Resistant including 8 Responses are like-release materials which has and principles of and principles of explanations a lude statutory/contesponses are un	level 5 without wide dge with a clear and to concepts and principles include wide ranging, ranging, developed dude statutory/common sponses are unlikely to relevant cases of which 6 ely to use material both als (LNK) and from beyond we a specific link to the level 4 without good, well-understanding of the fithe law in this area. This indigood definitions of this inmon law provisions, likely to achieve level 4 4 of which will be
	<ul> <li>Explain the main provisions of the Contracts (Rights of Third Parties) Act 1999</li> <li>Explicitly giving a right of enforcement to a third party section 1(1)(a)</li> <li>Conferring a benefit on a third party without</li> </ul>		knowledge showi	ng reasonable un	level 3 without adequate derstanding of the relevant in this area. This would

Question	Indicative Content	Mark	Guidance	
	explicitly giving them a right of enforcement section 1(1)(b)  Can be disapplied when appropriate given a 'proper construction of the contract' section 1(2)  Conferring the benefit of exemption clauses section 1(6)  Crystallising the third party rights through the acceptance or reliance of the third party section 2(1)-(2)  Can be disapplied given terms in the contract protecting the original parties' discretion section 2(3)  Credit reference to the 1937 proposals of the Law Revision Committee and the 1996 Law Commission Report  Credit any other relevant point of knowledge and understanding.		include adequate explanations and adequate definitions of this area of law to include statutory/common law provisions, where relevant. Responses are unlikely to achieve level 3 without including 4 relevant cases, 2 of which will be developed*.  Level 2 Responses are unlikely to achieve level 2 without limited knowledge showing general understanding of the relevant concepts and principles of the law in this area. This would include limited explanations and limited definitions of this area of law. Responses are unlikely to achieve level 2 without 2 relevant cases, neither of which are required to be developed.  Level 1 Responses are unlikely to achieve level 1 without very limited knowledge of the basic concepts and principles of the law in this area. This would include very limited explanations and very limited definitions of this area of law. Responses are not required to discuss any cases.  *Developed = case name + facts (minimal) or ratio (minimal)	
	Assessment Objective 2 - Analysis, evaluation and application	14	AO2 Levels AO2 Marks 5 13–14	
	Discussion of the courts' solutions		4 10–12	
	Collateral contracts have been used extensively but		3 7–9	
	are considered to be artificial, rely on dubious		2 4-6	
	findings of consideration and to not necessarily reflect parties' intentions		1 1–3	
	The construction industry is known to still prefer		Level 5	
	collateral contracts and will often contract out of the		Responses are unlikely to achieve level 5 without	
	C(RTP)A		sophisticated analytical evaluation of the relevant areas of	

Question	Indicative Content	Mark	Guidance
	<ul> <li>The courts have developed a controversial 'special cases' exception which is intended to do justice to the parties but they have not fully grasped the nettle of changing the rule on damages itself so the situation lacks coherence with the two recent leading cases difficult to reconcile</li> <li>The ability to transfer the benefit of exemption clauses has been tortuously developed by the courts in an attempt to meet commercial expectations. It lacks any real clarity or coherence</li> <li>Trusts of the promise have been described as a 'cumbrous fiction' but are at least partially justifiable as recent cases have created strict requirements of clear intention to create a trust. Ironically, such strict requirements mean the solution is far less accessible</li> <li>Discussion of Parliament's solutions</li> <li>Most judicial, academic and commercial voices seem relieved to have the clarity and simplicity of the C(RTP)A. Whilst it is still a recent reform, it is generally viewed as more pragmatic, better reflecting commercial expectations</li> <li>Notably, however, commercial construction contracts still appear to avoid the C(RTP)A, preferring to use collateral warranties</li> <li>Some academics criticise the C(RTP)A for being internally incoherent as sometimes it gives precedence to the parties' intentions and at other times it is willing to override them.</li> <li>Such criticism may be overstated as the elements overriding the parties' intentions can themselves be avoided by the parties if they so choose.</li> <li>Credit any other relevant comment.</li> <li>Reach any sensible conclusion.</li> </ul>		law, being very focused on the quote and providing a logical conclusion* with some synoptic content.  Level 4  Responses are unlikely to achieve level 4 without good analytical evaluation of the relevant areas of law and good focus on the quote.  Level 3  Responses are unlikely to achieve level 3 without adequate analytical evaluation of the relevant areas of law and limited focus on the quote.  Level 2  Responses are unlikely to achieve level 2 without at least some limited analytical evaluation of the relevant areas of law. Responses are unlikely to discuss the quote. General arguments for/against privity should be credited but without any specific focus on the solutions themselves should be limited to Level 2  Level 1  Responses are unlikely to achieve level 1 without at least some very limited analytical evaluation of the relevant areas of law. Responses are unlikely to discuss the quote.  * Conclusion – response has to provide a conclusion to answer and response must show more than 50% commitment (NB conclusion does not need to appear at end).

Question	Indicative Content	Mark	Guidance	
	Assessment Objective 3 - Communication and	4	_	
	presentation		AO1 + AO2 Marks	AO3 Mark
			24–30	4
	Present logical and coherent arguments and communicate		17–23	3
	relevant material in a clear and effective manner using		9–16	2
	appropriate legal terminology. Reward grammar, spelling		1–8	1
	and punctuation.			

Question	Indicative Content	Mark	Guidance			
3	Potential answers may:  Assessment Objective 1 – Knowledge and understanding  Define the relevant rules and use any relevant cases as	10	Mark Levels	9–10 7–8 5–6 3–4	AO2 Marks 17–20 13–16 9–12 5–8	
	authorities for those rules.  Assessment Objective 2 – Analysis, Evaluation and Application	20	1 Marks should be	1–2	ollows (per part question	n):
	C Identify that this is a collateral contract case/an attempt to impose an obligation on a third party; privity prevents you from imposing an obligation on a third party ( <i>BBC v Harper Collins</i> ); the key contract is between Priya and Adam, Sunil is the third party  1 Priya has no cause of action against Adam as Adam used the stone Priya insisted on / Adam may sue but has suffered no loss  2 Consideration is necessary to find a collateral contract ( <i>Shanklin Pier v Detel/Charnock v Liverpool Corp</i> )  3 Consideration here would be the promise from Sunil in return for Priya insisting Adam buys Sunil's stone  4 The C(RTP)A won't apply unless it could be argued that Adam's contract with Sunil was 'conferring a benefit' on Priya (s1(1)(b)) - unlikely		<ul> <li>each part ques</li> <li>Max 3 mark</li> <li>Max 6 mark</li> <li>Max 1 mark most likely</li> </ul>	tion.  As for the critical  As for applied p  As for a logical coutcome in term  I level 5, respo	an be allocated for AO1	
	Con Conclude that Priya would be able to sue Sunil.  In the case of (b):  C This is a contract with the object of benefitting another / third party attempting to sue; privity prevents third parties suing ( <i>Tweddle</i> ); the key contract is between Rohini and UK Talent, Jess is the third party;	Conclusion*.  Responses are unlikely to achieve level 5 if the concincorrect and contradicted by the reason offered.  * Conclusion – response has to provide a conclusion answer and response must show more than 50% commitment (conclusion does not need to appear and the conclusion doe		ne reason offered.  o provide a conclusion to own more than 50%		

Question	Indicative Content	Mark	Guidance
	1 There is no evidence of intention to give Jess an enforceable right so s1(1)a can't help 2 It does confer a benefit under s1(1)(b); there is no evidence of overt intention to not allow Jess to enforce the contract (s1(2)) as required by <i>Nisshin Shipping v Cleaves</i> 3 Variation is not possible without Jess's consent if Jess has assented to the gift or relied upon it or ought to be known to have relied upon it (section 2(1)) 4 Jess has assented to it by saying she's delighted 5 Jess has relied upon it by changing the party's theme Con Conclude that Rohini may not change the entertainment without Jess's consent (accept that Rohini cannot change the entertainment).  The variation point must be addressed to achieve Level 5.		
	In the case of <b>(c)</b> :  C This is a 'suing for damages for another' situation ( <i>Jackson v Horizon Holidays</i> etc); the actionable contract is between Moneybagz and Concreet and Belleville is the third party; privity prevents a third party suing ( <i>Tweddle</i> )  1 The basic rule is that you can only sue for your own loss ( <i>The Albazero</i> )  2 Here an exception may apply as it will have been in the contemplation of Concreet that the library would be transferred to Belleville ( <i>The Albazero/Linden Gardens/Darlington BC</i> )  3 But the exception should not apply when a direct right of action has been agreed between the original party and the third party ( <i>Alfred McAlpine v Panatown</i> )  4 C(RTP)A s1(1)(a) will give full support to the £1m claim clause  Con Conclude that the Council will be limited to the £1m claim.		

#### 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.

OCR (Oxford Cambridge and RSA Examinations)
1 Hills Road
Cambridge
CB1 2EU

### **OCR Customer Contact Centre**

# **Education and Learning**

Telephone: 01223 553998 Facsimile: 01223 552627

Email: <a href="mailto:general.qualifications@ocr.org.uk">general.qualifications@ocr.org.uk</a>

#### www.ocr.org.uk

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

Oxford Cambridge and RSA Examinations is a Company Limited by Guarantee Registered in England Registered Office; 1 Hills Road, Cambridge, CB1 2EU Registered Company Number: 3484466 OCR is an exempt Charity

OCR (Oxford Cambridge and RSA Examinations) Head office

Telephone: 01223 552552 Facsimile: 01223 552553



