



**CILEX Level 6 Single Subject Certificate/CILEX Level 6 Professional Higher
Diploma in Law and Practice/CILEX Level 6 Graduate Fast-Track Diploma**

Unit 2 - Contract Law

Question paper

June 2023

Time allowed: 3 hours and 15 minutes (includes 15 minutes reading time)

Instructions and information

- It is recommended that you take **fifteen** minutes to read through this question paper before you start answering the questions. However, if you wish to, you may start answering the questions immediately.
- There are **two** sections in this question paper — Section A and Section B. Each section has four questions.
- You must answer **four** of the eight questions — at least **one** question must be from **Section A** and at least **one** question must be from **Section B**.
- This question paper is out of 100 marks.
- The marks for each question are shown — use this as a guide as to how much time to spend on each question.
- Write in full sentences — a yes or no answer will earn no marks.
- Full reasoning must be shown in your answers.
- Statutory authorities, decided cases and examples should be used where appropriate.
- You are allowed to make notes on your scrap paper during the examination.
- You can use your own unmarked copy of the following designated statute book – **Blackstone’s Statutes on Contract, Tort & Restitution 33rd edition, Francis Rose, Oxford University Press, 2022**.
- You must comply with the CILEX Exam Regulations – Online Exams at Accredited Centres/CILEX Exam Regulations – Online Exams with Remote Invigilation.

Turn over

SECTION A

Answer at least one question from this section

1. Critically analyse how the courts balance competing interests when considering terms that may be in restraint of trade.

(25 marks)

2. Critically evaluate how true it is to say that a promise to perform a pre-existing contractual duty can constitute good consideration, to support an agreement to amend or vary an existing contract.

(25 marks)

3. Critically analyse the development of the law of economic duress in relation to a threat of:
 - (a) an unlawful act;

(16 marks)
 - (b) a lawful act.

(9 marks)

(Total: 25 marks)

4. Critically assess how successfully exemption clauses are regulated by:
 - (a) The common law;

(13 marks)
 - (b) The Unfair Contract Terms Act 1977.

(12 marks)

(Total: 25 marks)

Turn over

SECTION B

Answer at least one question from this section

Question 1

Alex owns a coffee shop. After a rival coffee shop opened nearby, Alex decided he needed to attract more customers.

On 1 November 2022, Alex placed a poster in the window of his shop. It read:

COMPETITION TIME!

Win a year's free supply of coffee* in our amazing giveaway. Make 5 separate visits this month to enter. 5 purchases = guaranteed entry into our prize draw!

*1 free drink every day throughout 2023.

Bikram decided to enter, even though he usually considered buying takeaway coffee an unnecessary expense. He made five visits to Alex's coffee shop during the promotional period.

Every time a customer reached their fifth visit during the promotion, Alex put their name into a hat. When putting Bikram's name into the hat Alex dropped the piece of paper onto the floor instead by mistake. This was thrown away as rubbish by the barista, Denis.

Charlize also wanted to enter the competition and made four visits across November. On November 29 she came to the coffee shop intending to make her fifth visit, but Alex had removed the poster and told her "the promotional period is over, sorry". Charlize still bought a coffee on this visit.

Alex chose from the 49 names that did make it into the hat and pulled out Earl's name. Earl was delighted, especially as he had not noticed the poster and had no idea he had been entered into the competition.

Denis told Bikram about the slip of paper and Bikram is now demanding a year's supply of coffee, as is Charlize. Alex has had second thoughts about the promotion and refuses to give Bikram, Charlize or Earl free coffees.

In May 2023, Alex decided to purchase a new oven for the shop. He saw a post online offering an oven for sale. The advert did not state a price but said "serious offers only".

Alex emailed the seller, Fatima, and offered to buy the oven for £850. Fatima responded, telling Alex "I have another buyer. But if you agree £900 before Saturday, I'll sell to you".

Alex emailed Fatima at 3.30pm on Friday agreeing to buy the oven for £900. Due to a problem with Fatima's emails, the message did not reach her inbox until 11.56pm on Friday night. Fatima checked her email the following morning and saw Alex's message. She responded saying that Alex was "too late" and that she had decided to keep the oven anyway.

Turn over

Advise Alex:

(a) whether any valid agreements have been made with Bikram, Charlize or Earl; **(11 marks)**

(b) if he has made a valid agreement with Bikram, how the court might calculate any damages awarded to him; **(6 marks)**

(c) if he has a valid agreement to buy Fatima's oven. **(8 marks)**

(Total: 25 marks)

Question 2

Great Guitars Events (GGE) is a company that arranges and promotes rock concerts in the Kempston area. Over the last 12 months, GGE has had to cancel four concerts and is faced with large numbers of requests for refunds. The terms and conditions which GGE relies on when selling tickets make no allowance for refunds in any circumstances.

In October 2022 GGE organised a concert for Jack James, a local musician. Two days before the concert Jack James became ill with laryngitis and was unable to sing. The concert was cancelled.

In February 2023 GGE organised a special concert of children's entertainers. Klipsy the Klown, who was prominently featured on advertising for the concert, withdrew 24 hours before. GGE continued with the concert without Klipsy.

In March 2023 GGE contracted with the Legal Llamas, an internationally renowned rock band. The Legal Llamas are from Derutipia, a (fictitious) country which had recently been denounced by the UK Government for invading a neighbour state. The Legal Llamas are represented by a management company based in Derutipia.

Two weeks after the concert was announced, the United Nations announced sanctions on Derutipia. It became illegal for any company based in the UK to contract with any company based in Derutipia.

In April 2023 GGE promoted a concert with Zach Zip, a singer-songwriter particularly popular with younger teenagers on social media. GGE booked the concert at the Kempston Arena. GGE had the option of paying an extra £20,000 for the security and safeguarding needed for under 18s to attend the concert but decided not to pay that fee. After it was discovered that most ticket sales had been to under 18s who could not safely attend, Kempston Arena were told by the local council that it would be a breach of the terms of their licence to hold the concert. The concert was cancelled.

Advise GGE as to whether contracts for tickets to any of the above concerts are likely to have been frustrated; and if so, the potential financial consequences of this.

(25 marks)

Turn over

Question 3

Kelis and her girlfriend Mandy were due to celebrate their 5th anniversary in May 2023. Kelis decided that she would surprise Mandy with a romantic holiday. Mandy has a deep love of history so Kelis decided to theme their holiday around this interest. She approached Nora, a travel agent specialising in themed holidays. Kelis had spotted the "Silver Star" package, at £699, and told Nora she wanted to buy this.

Nora told Kelis that she offered a range of packages and that she personally would recommend the "Diamond Delight" package, as she thought it was much more romantic. When Kelis told Nora that at £1499 the package was far more than she had intended to spend, Nora told Kelis that the more expensive package did not just cover the hotel and meals but also first-class tickets on the "ultra-luxurious" Victorian Express steam train.

She went on to say that the Diamond Delight package also included "drinks as well as food" (while drinks were charged separately under the Silver Star package).

Finally, Nora told Kelis that she planned to hold an exclusive vintage costume party at a local stately home, which would only be open to Diamond Delight customers.

Kelis decided that the extra cost was worth it and booked the trip for her and Mandy. However, they were very disappointed to find that the Victorian Express was in very poor repair and the "first class" carriages were not at all luxurious. On arrival at their hotel, Mandy (who doesn't drink alcohol) ordered a soft drink but was told she would have to pay separately because the Diamond Delight package only included wine and beer.

Nora arrived the next day and explained that due to a booking mix-up at the stately home, the costume party would not take place. When Kelis complained about the other issues Nora told Kelis "there were pictures of the train online you could have looked at".

Advise Kelis as to any potential claim in misrepresentation.

(25 marks)

Question 4

Olympus Outsourcing (OO) is a large recruitment company that recently negotiated with Pilot Properties (PP) for the lease of a large office building, 'Queen's Tower', owned by PP. OO made it clear during the initial negotiations in October 2022 that what it required was office space for at least 60 employees, with a number of large meeting rooms. PP assured OO that "Queen's Tower met all of these specifications".

OO's managing director also told PP in November 2022 that "my IT department say we must have the latest connectivity". PP assured her that they had "extensive experience of business IT requirements and that Queen's Tower had the most up-to-date IT infrastructure".

In March 2023 OO's director also requested that sufficient parking facilities for 60 employees were provided. PP responded that "there's ample parking and the facilities are open for you to inspect."

In early April 2023 OO agreed to lease the building from PP. Within a week of the lease commencing, OO became aware that the toilets and bathrooms were completely inadequate for the number of staff working in the building. Since then, OO has also had problems with insufficient large meeting rooms, outdated IT infrastructure and limited parking space.

PP has disregarded all complaints by OO about these issues. OO has engaged a separate firm at the cost of £50,000 to upgrade and repair the bathrooms throughout the building. It is the position of OO that it expected the building to contain sufficient bathrooms and toilets for a minimum of 60 staff.

Advise OO as to:

- (a) whether each of the three statements made by PP would be considered a term or a representation;

(11 marks)

- (b) the likely approach of the court to implying a term as a matter of fact which covers the toilets and bathrooms in the building.

(14 marks)

(Total: 25 marks)

End of the examination