



**CILEX Level 3 Certificate in Law and Practice/  
CILEX Level 3 Professional Diploma in Law and Practice**

**Unit 2 Contract Law**

**Question paper**

**January 2023**

**Time allowed: 1 hour and 45 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.
- You must answer **all** questions from Section A.
- There are three scenarios in Section B — you must choose **one** scenario and answer **all** questions relating to that scenario.
- This question paper is out of 70 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 are **not** allowed access to any statute books.
- 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 all questions

1. Identify any **three** elements of a binding contract.  
(3 marks)
2. Explain the Postal Rule.  
(5 marks)
3. Describe what is meant by 'consideration need not be adequate'.  
(2 marks)
4. Explain the effect of an 'honour clause' on intention to create legal relations, using case law to support your answer.  
(4 marks)
5. Define a 'condition' in a contract and explain the effect of a breach of condition.  
(4 marks)
6. Identify **three** factors the court will consider when distinguishing a representation from a term of a contract.  
(3 marks)
7. Identify the **three** types of misrepresentation.  
(3 marks)
8. Identify **two** ways in which a contract may be frustrated.  
(2 marks)
9. State the rule of remoteness of damage in Hadley v Baxendale (1854).  
(3 marks)
10. Define a decree of specific performance.  
(1 mark)

**(Total Marks for Section A: 30 marks)**

## SECTION B

**There are three scenarios — you must choose one scenario and answer all questions relating to that scenario.**

### Scenario 1

On 30 April, Rosie went to 'Get Indoors', a furniture store, and bought an oak dining table and six chairs for delivery in May.

Rosie decided to sell her old dining furniture. At 10:00 am on 1 May she placed the following advertisement on her village's Facebook page:

**Rosie Smith  
Patchbury Swap + Sell  
For Sale**

Smoked glass rectangular dining table and  
four black leather chairs in excellent condition £300  
- buyer to collect.

**Send me a private Facebook message (PM) or call me on my landline 01111 567890**

At 10.30 a.m., Bindy, the local newsagent, sent a private message to Rosie, 'I'll give you £220 for the dining furniture and collect it tomorrow evening'.

At 10.40 a.m., Rosie replied, '£220 isn't enough, but I would accept £250'.

At 11.00 a.m., while Rosie was out, Bindy telephoned and left a message on her home answerphone: 'I will pay £250. What time can I collect the furniture tomorrow evening?'

Rosie met her neighbour Anneka at 11.30 a.m. Rosie offered to sell the dining furniture to her for £270 and Anneka accepted.

At noon, Anneka went into the newsagents and asked Bindy if she knew of anyone with a van who could help her pick up the dining furniture that she has just agreed to buy from Rosie. Bindy told Anneka that she had accepted Rosie's offer first.

Rosie heard Bindy's answerphone message when she arrived home at 3 p.m.

When the new dining furniture is delivered by 'Get Indoors', three of the chairs are five centimetres taller than the others.

**Turn over**

### Scenario 1 Questions

1. (a) Explain whether Rosie's advertisement on Facebook is an offer or an invitation to treat.  
*(5 marks)*  
(b) Explain the legal status of:
    - (i) Bindy's message at 10.30 a.m.; *(3 marks)*
    - (ii) Rosie's reply at 10.40 a.m. *(5 marks)**(Total: 13 marks)*
  2. Explain:
    - (a) the requirements for, and the effect of, a valid acceptance; *(4 marks)*
    - (b) how these requirements apply to Bindy's answerphone message; *(3 marks)*
    - (c) whether Rosie and Anneka have a valid contract. *(3 marks)**(Total: 10 marks)*
  3. Explain:
    - (a) the rules relating to revocation of an offer; *(4 marks)*
    - (b) whether Rosie's offer to sell the dining furniture to Bindy for £250 has been revoked. *(5 marks)**(Total: 9 marks)*
  4. Under the Consumer Rights Act 2015:
    - (a) identify and explain which implied term in Rosie's contract with 'Get Indoors' has been breached in respect of the chairs; *(3 marks)*
    - (b) explain what remedies Rosie can claim under this Act. *(5 marks)**(Total: 8 marks)*
- (Total Marks for Scenario 1: 40 marks)***

## Scenario 2

Mary runs a store selling souvenirs. She recently decided to have a store refit and entered a contract with Lovenia for the supply of some wood for some new shelves. Lovenia handed Mary a written 'Contract Note', which described the wood being purchased and specified the price of £3,000.

On the front of the Contract Note, it stated, 'See back'. On the back of the Contract Note were 30 clauses, which included the following:

27. The customer must pay any extra sum if the price of wood goes up before the due date for delivery.

Mary said that she wanted Lovenia to go ahead with the delivery. Neither Lovenia nor Mary signed the Contract Note.

Mary entered into a second contract, with Jassan, to carry out the joinery work to fit the shelves, for a price of £2,000. She entered into a third contract, with George, for the painting of the shelves once they were fitted, for a price of £1,000.

Jassan fitted 18 out of the 20 shelves perfectly. Of the remaining two, Jassan cut one of them 30 centimetres too short, and did not properly sand the other. Jassan explained that he was too busy to finish the work. Mary has declined to pay Jassan any of the contract price, and it has cost Mary £150 to get the shelves finished.

George started painting the shelves last week. On his third day, when George was about halfway through the painting, Mary realised that it was such an easy job that she could do it herself. When George went off for his lunch, she locked the door and refused to let him back in to finish the painting.

Lovenia is now seeking to recover £3,200 from Mary, citing increases in the price of wood as the reason for the increase, but Mary insists that she is only liable to pay £3,000.

**Turn over**

## Scenario 2 Questions

1. (a) Identify **three** ways in which express terms may be incorporated into contracts, citing a case for each.  

**(6 marks)**

(b) Explain whether clause 27 of the Contract Note was incorporated into the contract between Mary and Lovena.  

**(9 marks)**

**(Total: 15 marks)**
2. (a) Identify and explain **three** ways in which terms may be implied into contracts.  

**(6 marks)**

(b) Identify **three** terms relating to the wood which will be implied into the contract between Mary and Lovena.  

**(3 marks)**

**(Total: 9 marks)**
3. (a) Explain the 'entire performance' rule relating to performance of a contract.  

**3 marks)**

(b) Explain whether Jassan will be entitled to recover any or all of the price of £2,000 from Mary by virtue of any exception to the 'entire performance' rule.  

**9 marks)**

(c) Explain whether George has any claim against Mary in relation to the painting he has done under his contract with her.  

**(4 marks)**

**(Total: 16 marks)**

**(Total Marks for Scenario 2: 40 marks)**

### **Scenario 3**

David is a carpenter. In July 2022, David agreed to fit out the interior of Fiona's shop for £20,000. In September, when David was halfway through the work, his wood supplier went out of business. David realised that he was not going to be able to complete the job on time for the existing price. He discussed the matter with Fiona. She promised to pay him an additional £2,000 to complete the job on time, so that she could re-open the shop as planned. David then completed the interior of the shop on time.

After David had finished the interior, Fiona asked him if he would spend a day making and putting up a sign outside the shop. David agreed to do this. When he had finished the work, Fiona thanked him and said she would pay him an extra £500.

In October, David agreed to fit out Ajmal's car showroom for £15,000, with the work to be completed by the end of February 2023. David told Ajmal that he employed five qualified carpenters but did not mention that four of them had already handed in their notice to leave by the end of November. David has now completed three-quarters of the work, and Ajmal has just noticed that David only has one other carpenter working on the job. Ajmal has complained that he would not have employed David if he had known that David would only have one other carpenter working on the job. David pointed out that the work was being done in accordance with the contract.

Fiona has paid David the original amount of £20,000 but has refused to pay either the additional £2,000 or the £500 for making and putting up the shop sign.

***Turn over***

### Scenario 3 Questions

1. (a) Explain whether performance of an existing contractual duty is valid consideration for a promise of extra payment.  

**(2 marks)**

(b) Explain the rule in Williams v Roffey (1991).  

**(3 marks)**

(c) Explain whether David can enforce Fiona's promise to pay an additional £2,000 for completing the work on time.  

**(7 marks)**

**(Total: 12 marks)**
2. (a) Explain the rule of past consideration and the exception to that rule.  

**(5 marks)**

(b) Explain whether David can enforce Fiona's promise to pay an extra £500 for making and putting up the shop sign.  

**(6 marks)**

**(Total: 11 marks)**
3. (a) Identify **three** circumstances in which silence may constitute misrepresentation.  

**(3 marks)**

(b) Explain whether David's statement to Ajmal that he employed five qualified carpenters is a misrepresentation.  

**(5 marks)**

**(Total: 8 marks)**
4. (a) Explain what is meant by rescission of a contract.  

**3 marks)**

(b) Identify **three** bars to rescission of a contract for misrepresentation.  

**3 marks)**

(c) Explain whether Ajmal can rescind his contract with David.  

**(3 marks)**

**(Total: 9 marks)**

**(Total Marks for Scenario 3: 40 marks)**

**End of the examination**