



**GCE A level**

1254/01

**LAW – LA4**

**UNIT 4: Understanding Law in Context:  
Freedom, The State and The Individual  
OPTION 1: Contract and Consumer Law**

A.M. WEDNESDAY, 22 January 2014

2 hours 30 minutes

#### **ADDITIONAL MATERIALS**

In addition to this examination paper, you will need a 12 page answer book.

#### **INSTRUCTIONS TO CANDIDATES**

Use black ink or black ball-point pen.

Answer **two** questions from Section A and **one** question from Section B.

#### **INFORMATION FOR CANDIDATES**

Each question carries 25 marks.

The number of marks is given in brackets at the end of each question or part-question.

You are reminded that assessment will take into account the quality of written communication used in your answers.

***You are reminded that this paper contains a synoptic element in Section B and will test understanding of the connections between the different elements of the subject.***

**Option 1: Contract and Consumer Law**

**SECTION A**

*Answer two questions from this section.*

1. Evaluate the connected lender liability provision of Section 75 of the Consumer Credit Act. [25]
  
2. Consider the impact on consumer protection law brought about by the Enterprise Act 2002. [25]
  
3. Critically discuss the approach of the Unfair Contract Terms Act 1977 and the Unfair Terms in Consumer Contracts Regulations 1999 in regulating exclusion clauses. [25]
  
4. Critically evaluate the protection provided to consumers through the implied contractual obligation that goods should be of satisfactory quality. [25]

## SECTION B

*Answer one question from this section.*

5. Study the text below and answer the questions based on it.

“What is the problem under consideration? Why is government intervention necessary?”  
Consumers are not always provided with the information they need to make informed buying choices, for example, in relation to transparency over additional charges such as freight, delivery or postal charges. Even when these matters are clear in national laws, divergent consumer laws across the EU, including on the minimum level of information to be provided before a consumer commits to buy, reduce consumer confidence in shopping cross-border and dis-incentivise businesses from engaging in cross-border trade in the first place. The CRD (Consumer Rights Directive) is intended to consolidate EU consumer protection legislation on these matters, bringing clarity and lowering the burden of disparate information requirements for both businesses and consumers.

“What are the policy objectives and the intended effects?”

The UK Government is required to implement the CRD (Consumer Rights Directive) by December 2013 and to bring the measures into force by June 2014. It is clear that consumers need transparent, accessible information on the nature and price of the product or service they are considering purchasing, if they are to make good choices. Research, such as that commissioned by OFT, suggests that lack of transparency may be used by unscrupulous businesses to draw consumers to make less than optimal choices. Easier access to clear information about prices and reliable information on quality and post-contractual arrangements will ensure that consumers and honest businesses can enjoy the benefits of trade in the UK and across the EU.

*Source: BIS EU Consumer Rights Directive: Pre-contractual information requirements for contracts other than distance or off-premises impact assessment, August 2012.*

- (a) Explain the impact of the Consumer Rights Directive. [11]
- (b) Assess the role of European Directives in the development of Consumer Law. [14]

6. Study the text below and answer the questions based on it.

“The purpose of contract remedies is to place a disappointed promisee in as good a position as he would have enjoyed had his promisor performed.”

Contract law has two methods of achieving this “compensation goal”: requiring the breaching party to pay damages, either to enable the promisee to purchase a substitute performance or to replace the net gains that the promised performance would have generated; or requiring the breaching party to render the promised performance. Although the damages remedy is always available to a disappointed promisee under current law, the remedy of specific performance is available only at the discretion of the court. Moreover, courts seldom enforce contract clauses that explicitly provide for specific performance in the event of breach.

*Source: Alan Schwartz - “The Case for Specific Performance” 1979 Yale Law School Faculty Scholarship Series*

- (a) Explain the role of specific performance as a remedy for consumers. [11]
- (b) Assess the role of equity in the development of the common law. [14]

**END OF PAPER**