

Cambridge International AS & A Level

LAW**9084/31**

Paper 3 Law of Contract

May/June 2026**MARK SCHEME**Maximum Mark: 75

Published

This mark scheme contains the instructions and marking guidance that our examiners used to mark candidate responses for this component.

Before they start marking, examiners complete a standardisation process. They review a range of candidate responses and discuss the mark scheme in detail to agree which answers can and cannot be accepted. Examiners award marks where it is clear that candidate responses have met the requirements of the mark scheme. These requirements may vary between different components or different versions of the same component, depending on the exact requirements of the question and the candidate responses seen during the standardisation process.

Sometimes, our mark schemes may allow marks to be awarded to responses which contain elements that are factually incorrect or for content not covered by the syllabus. We do this in response to the demands of a specific question to support candidates and make sure that our assessments are fair. However, these allowances should not be used as a guide for teaching and learning.

We cannot discuss the mark scheme with schools, and we recommend that schools read the mark scheme together with the assessment material and the Principal Examiner Report for Teachers.

This document consists of **20** printed pages.

General marking principles

All examiners must apply these marking principles when marking candidate responses.

1	Examiners must award marks for each response in line with: - the specific content defined in the mark scheme - the specific skills defined in the mark scheme or in the level descriptions - the standard of response required as exemplified by the standardisation scripts.
2	Examiners must award whole marks (not half marks, or other fractions).
3	Examiners must award marks positively . This means that: - marks are not deducted for errors or omissions - marks are awarded for correct/valid answers as defined in the mark scheme and also for other valid answers which go beyond the scope of the syllabus and mark scheme referring to your team leader as appropriate - the quality of spelling, punctuation and grammar are judged only when the mark scheme indicates that these features are specifically assessed in the question. However, the meaning of all responses must be unambiguous.
4	Examiners must consistently apply the requirements of the mark scheme and any rules for what to do when candidates have not followed instructions correctly.
5	Examiners must use the full range of marks defined in the mark scheme, unless limited by the quality of the candidate responses seen.
6	Examiners must award marks according to the mark scheme and must not award marks with grade thresholds or grade descriptions in mind.

**Social Sciences-Specific Marking Principles
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require n reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. corrasion/corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	Unclear
	Accurate
	Benefit of the doubt
	Subordinate clause / consequential error
	Incorrect point
	Evaluation
	Dynamic, Horizontal Wavy line that can be expanded
Highlighter	Highlight
	Two statements are linked
	Not answered question
Off page comment	Off Page Comment
	Repeat
	Indicates that the point has been noted, but no credit has been given.
	Indicates that the point has been noted, but no credit has been given
	Correct point
	Dynamic, Vertical Wavy line that can be expanded

Guidance on using levels-based mark schemes

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The marker should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range (where middle marks are available).
- If the candidate's work **just** meets the level statement, award the lowest mark.

Assessment objectives**AO1 Knowledge and understanding**

- Demonstrate knowledge and understanding of legal concepts, principles and rules.
- Use statutes, cases, examples and legal terminology.

AO2 Analysis and application

- Analyse legal concepts, principles and rules.
- Apply legal concepts, principles and rules.

AO3 Evaluation

- Evaluate legal concepts, principles and rules.
- Communicate legal argument coherently on the basis of evidence.

Section A**Table A**

Use this table to give marks for each candidate response for **Question 1** and **2**

Level	AO1 Knowledge and understanding 12 marks	AO2 Analysis and application 5 marks	AO3 Evaluation 8 marks
	Description	Description	Description
4	10–12 marks Accurate and detailed in most relevant areas. Thorough knowledge and understanding of the most appropriate legal concepts, principles and rules, key examples, cases and/or statutory authority, and legal terminology.		
3	7–9 marks Mostly accurate but may not be detailed in some relevant areas. Good knowledge and understanding of appropriate legal concepts, principles and rules, examples, cases and/or statutory authority, and legal terminology.	4–5 marks Mostly focused and reasoned analysis throughout. The analysis is supported by effective and well-developed use of legal concepts, principles and rules, key examples, cases and/or statutory authority.	6–8 marks Mostly focused and reasoned evaluation of most of the relevant issues. Effectively supported by relevant material. Coherent argument
2	4–6 marks Some accuracy but lacks detail in relevant areas. Some knowledge and understanding of mostly appropriate legal concepts, principles and rules, examples, cases and/or statutory authority, and legal terminology	2–3 marks Some reasoned analysis. The analysis is supported by some partially developed use of legal concepts, principles and rules, examples, cases and/or statutory authority.	3–5 marks Some evaluation, reasoned at times, of some of the relevant issues. Supported by some relevant material. Some coherent argument.
1	1–3 marks Limited accuracy. Limited knowledge and understanding of legal concepts, principles and rules, examples, cases and/or statutory authority, and legal terminology.	1 mark Limited analysis. The analysis is supported by limited use or makes no use of legal concepts, principles and rules, examples, cases and/or statutory authority.	1–2 marks Limited evaluation of a relevant issue. Limited or no use of relevant material. Limited or no argument.

Level	AO1 Knowledge and understanding 12 marks	AO2 Analysis and application 5 marks	AO3 Evaluation 8 marks
0	0 marks • No creditable content	0 marks • No creditable content	0 marks • No creditable content

Question	Answer	Marks
1	Advise Mia whether the breach of the terms entitles her to repudiate the contracts and claim damages. Use Table A to mark candidate responses to this question. AO1 out of 12 marks. AO2 out of 5 marks. AO3 out of 8 marks. Indicative content: AO1 Knowledge and understanding • Conditions: Fundamental term which goes to the root of the contract The contract cannot be performed if the term is breached, <i>Poussard v Spiers and Pond</i> Remedy - repudiate and claim damages • Warranties: Minor, less crucial term The contract can continue if breached, <i>Bettini v Gye</i> Remedy - claim damages • Innominate Term: Term which cannot be categorised as a condition or a warranty The court will consider the consequence of the breach, <i>Hong Kong Fir Shipping v Kawasaki</i> Remedy will depend on the breach Innocent party will only be able to treat the contract at an end if the whole benefit has been deprived, <i>Reardon Smith Line</i> Court will consider an expressly stated term but if the breach is minor there will be no right to repudiate the contract, <i>Schuler v Wickman</i> Credit any other relevant point(s) AO2 Analysis and application and AO3 Evaluation: Delivery date of printer by 30 June: • The delivery date is likely to be classified as a condition • Timely delivery is crucial • Mia stated that she needed the printer for the opening • This will be considered a fundamental breach • Mia will be able to reject the printer when delivered • She is entitled to terminate the contract • She can also claim damages including the cost of purchasing a replacement Change to the paper delivery date: • The paper delivery date appears to be a minor term • The paper arrived one day late • The contract can continue with the change of date • The term will be considered a warranty • Mia will not be able to repudiate the contract but will be able to claim damages	25

Question	Answer	Marks
1	OR - EFG will argue that the term should be classed as innominate - The whole contract will need to be examined to determine whether the term will be treated as a condition or a warranty - The court will examine the circumstances existing at the time when the contract was breached and the consequence of the breach - The change of date does not deprive Mia substantially of the whole benefit of the contract - The term will be considered a warranty - Mia will not be able to repudiate the contract but will be able to claim damages Credit any other relevant point(s)	
	AO1	12
	AO2	5
	AO3	8

Question	Answer	Marks
2	Advise XY and EF whether these contracts are enforceable against Zayn. Use Table A to mark candidate responses to this question. AO1 out of 12 marks. AO2 out of 5 marks. AO3 out of 8 marks. Indicative content: AO1 Knowledge and understanding s9 Family Law Reform Act, a minor reaches the age of majority at 18 Beneficial contracts of service: • These may be valid and enforceable against the minor: • The contract must be substantially beneficial to the minor, <i>De Francesco v Barnum</i>, <i>Doyle v White City Stadium</i>, <i>Clements v London and North Western Railway Co</i>, <i>Proform Sports Management Ltd v Proactive Sports Management</i> Voidable contracts: • contracts of continuous or recurring obligations e.g. leases, purchase of shares, partnerships, <i>Steinberg v Scala</i>, <i>Corpe v Overton</i> • Minor may repudiate whilst still a minor or within a reasonable time after reaching the age of majority, <i>Edwards v Carter</i> • No recovery of payments made before repudiation <i>Minors' Contracts Act 1987</i> • Minor may not be bound but other party will be • If minor has already paid, they may be able to recover payment less any consideration gained • At 18 a minor may confirm a contract Credit any other relevant point(s) AO2 Analysis and application and AO3 Evaluation: Contract with XY Restaurant: • Zayn is a minor as he is only 16 years old • This will fall under the category of a beneficial contract of service • The contract must provide Zayn with significant benefits such as training, skills development, and career advancement • The contract with XY Restaurant to work is unlikely to be considered a beneficial contract as it does not substantially benefit him • There are onerous terms: (i) long working hours (ii) using one of his two days off to attend college and (iii) low weekly salary • Therefore, this contract is not enforceable and binding on Zayn Lease agreement with EF Rentals: • The lease of a flat will not be considered a necessity and does not fall under the category of a beneficial contract of service • The contract will be voidable	25

Question	Answer	Marks
2	• Zayn has the right to void the lease agreement now or a reasonable time after he turns 18 • Zayn can repudiate the lease • He will no longer be bound by the lease agreement • Any rent paid or due up to the point of repudiation would still be payable • EF will not be able to enforce the contract. Credit any other relevant point(s)	
	AO1	12
	AO2	5
	AO3	8

Section B**Table B**

Use this table to give marks for each candidate response for **Question 3, 4 and 5**

Level	AO1 Knowledge and understanding 12 marks	AO2 Analysis and application 5 marks	AO3 Evaluation 8 marks
	Description	Description	Description
4	10–12 marks Accurate and detailed in most relevant areas. Thorough knowledge and understanding of the most appropriate legal concepts, principles and rules, key examples, cases and/or statutory authority, and legal terminology.		
3	7–9 marks Mostly accurate but may not be detailed in some relevant areas. Good knowledge and understanding of appropriate legal concepts, principles and rules, examples, cases and/or statutory authority, and legal terminology.	4–5 marks Mostly focused and reasoned analysis throughout. The analysis is supported by effective and well-developed use of legal concepts, principles and rules, key examples, cases and/or statutory authority.	6–8 marks Mostly focused and reasoned evaluation of most of the relevant issues. Effectively supported by relevant material. Coherent argument
2	4–6 marks Some accuracy but lacks detail in relevant areas. Some knowledge and understanding of mostly appropriate legal concepts, principles and rules, examples, cases and/or statutory authority, and legal terminology	2–3 marks Some reasoned analysis. The analysis is supported by some partially developed use of legal concepts, principles and rules, examples, cases and/or statutory authority.	3–5 marks Some evaluation, reasoned at times, of some of the relevant issues. Supported by some relevant material. Some coherent argument.
1	1–3 marks Limited accuracy. Limited knowledge and understanding of legal concepts, principles and rules, examples, cases and/or statutory authority, and legal terminology.	1 mark Limited analysis. The analysis is supported by limited use or makes no use of legal concepts, principles and rules, examples, cases and/or statutory authority.	1–2 marks Limited evaluation of a relevant issue. Limited or no use of relevant material. Limited or no argument.

Level	AO1 Knowledge and understanding 12 marks	AO2 Analysis and application 5 marks	AO3 Evaluation 8 marks
	Description	Description	Description
0	0 marks • No creditable content	0 marks • No creditable content	0 marks • No creditable content

Question	Answer	Marks
3	Discuss whether the doctrine of frustration strikes a fair balance between the rights and obligations of the parties involved. Use Table B to mark candidate responses to this question. AO1 out of 12 marks. AO2 out of 5 marks. AO3 out of 8 marks. Indicative content: Responses may include: AO1 Knowledge and understanding - Frustration occurs after formation and through no fault of either party - outside the parties' contemplation, <i>Armchair Answercall v People in Mind</i> The contract will be frustrated if performance is: Impossible/destruction of the subject matter <i>Taylor v Caldwell</i>, <i>Condor v The Barron Knights</i> Supervening illegality, <i>Avery v Bowden</i>, <i>Fibrosa v Fairbairn</i> Death/non-availability, <i>Whincup v Hughes</i> Change of circumstances making the agreement radically different from that expected, <i>Krell v Henry</i>, <i>Herne Bay Steam Boat Co v Hutton</i> - Limitations on the doctrine: Contractual provision/force majeure clause Inconvenience or additional expense will not frustrate the contract, <i>Tsakiroglou v Noblee Thorl GmbH</i>, <i>Davis Contractors Ltd v Fareham Urban District Council</i> Self-induced frustration, <i>Maritime National Fish Ltd v Ocean Trawlers Ltd</i>, <i>Super Servant II</i>, <i>Gamerco SA v ICM Fair Warning</i> Foreseeable event will not render the contract frustrated, <i>Amalgamated Investment v John Walker</i> - Law Reform (Frustrated Contracts) Act 1943: s1(2) all monies paid should be returned, any money owed, no longer payable s1(3) deals with situations where party has obtained a benefit Credit any other relevant point(s) AO2 Analysis and application and AO3 Evaluation: - The doctrine addresses fairness concerns from unforeseen events that change a contract's performance, providing relief but sometimes resulting in unequal loss recovery - Frustration protects parties from unfair burdens due to unexpected events, ensuring neither party is held to an impossible or drastically changed obligation - The doctrine prevents unjust enrichment or unreasonable hardship	25

Question	Answer	Marks
3	• Frustration can relieve a party from obligations under radically changed circumstances, but it introduces uncertainty as seen in <i>Krell v Henry</i> and <i>Herne Bay Steam Boat Co v Hutton</i>, with no clear definition of 'radically changed circumstances' • This approach aims to balance fairness by applying the doctrine only when truly justified. A party will not be permitted to utilise the doctrine simply because a contract is not as profitable as expected or more inconvenient. It cannot be used as a mechanism to protect against bad commercial bargains • Limits required to prevent the defaulting party letting an innocent party down leaving them with no remedy. • Remedies under frustration are limited; the contract is usually discharged without damages for non-performance, avoiding penalties but leaving parties without recourse for losses • These limited remedies can be unfair to parties who have incurred significant costs or investments. • Judicial interpretations show the doctrine is applied to maintain fairness in exceptional circumstances • Parties can address frustration issues by including force majeure clauses in their contracts, providing more predictable outcomes and fairer solutions than the default doctrine • The doctrine's unpredictability and limitations mean it might not always perfectly balance both parties' interests • The doctrine ensures contractual obligations are not enforced under fundamentally changed circumstances, reflecting a commitment to fairness in contract law. Credit any other relevant point(s)	
	AO1	12
	AO2	5
	AO3	8

Question	Answer	Marks
4	The rules on the termination of offers adequately balance the interests of both offerors and offerees. Assess the validity of the statement. Use Table B to mark candidate responses to this question. AO1 out of 12 marks. AO2 out of 5 marks. AO3 out of 8 marks. Indicative content: Responses may include: AO1 Knowledge and understanding Methods of Termination: • Revocation is the withdrawing of the offer • Revocation must be communicated, <i>Byrne v Van Tienhoven</i>. • Revocation can be made via a reliable third party, <i>Dickenson v Dodds</i> • Revocation can take place at any time before acceptance, unless consideration provided by the offeree, <i>Routledge v Grange</i> • Rejection: The offeree declines the offer • Lapse of Time: The offer expires after a specified time or, if no time is stated, after a reasonable period, <i>Ramsgate v Montefiore</i> • Counter-offer: where offeree adds to or changes the terms, <i>Hyde v Wrench</i> • Acceptance • Operation of Law. This occurs in cases such as the death or bankruptcy of one of the parties, <i>Bradbury v Morgan</i> • Failure of a pre-condition, <i>Financing Ltd v Stimson</i> • A unilateral offer can only be revoked before the offeree begins performing the requested act, <i>Errington v Errington Woods, Carlill v Carbolic Smoke Ball Co.</i> Credit any other relevant point(s) AO2 Analysis and application and AO3 Evaluation: • The rules for ending an offer balance the interests of both parties, protecting the offeror from being bound indefinitely and giving the offeree certainty about the offer's validity • Revocation lets the offeror withdraw the offer if circumstances change, giving flexibility and protecting them from outdated or impractical offers • The offeror must tell the offeree about the revocation before acceptance for it to be effective, ensuring the offeree is not unfairly bound by a withdrawn offer. Poor communication of revocation can lead to disputes • Allowing a reliable third party to revoke the offer is fair, as it may not always be possible for the offeror to do it themselves	25

Question	Answer	Marks
4	• Rejection by the offeree ends the offer, preventing later acceptance and allowing the offeror to move on to other offers • The counter-offer rule is fair because it gives the offeror the choice to accept the new terms or not • Once an offer is rejected, the offeree cannot later accept it, preventing them from binding the offeror to the original terms after rejection • Offers expire if not accepted within the specified time or a reasonable period, freeing the offeror from waiting indefinitely for acceptance • The lapse of time rule ensures offers do not remain open forever, protecting the offeree from uncertainty, though reasonable time period can be subjective and cause disputes • Offers terminate due to death or bankruptcy, which is fair as the offeror cannot fulfil the obligations • The offeree is protected from being bound by an offer that is no longer viable due to the offeror's death, preventing unfair obligations. Credit any other relevant point(s)	
	AO1	12
	AO2	5
	AO3	8

Question	Answer	Marks
5	The rules on the limitations on recovery of damages in contract law provide justice. Assess the validity of the statement. Use Table B to mark candidate responses to this question. AO1 out of 12 marks. AO2 out of 5 marks. AO3 out of 8 marks. Indicative content: Responses may include: AO1 Knowledge and understanding - The aim of damages is to put the claimant back in the position they would have been in had the contract been performed as agreed - The purpose of damages is to compensate the claimant for financial losses that result from non-performance - Damages are a sum of money paid by the defendant to the claimant once liability has been established Limitations on the recovery of damages include mitigation, remoteness and causation Mitigation: Parties should take reasonable steps to mitigate losses i.e. limit the amount of damages, <i>Pilkington v Wood</i> If mitigation removes or could have removed any actual loss suffered, there can be no claim for damages, <i>British Westinghouse Electric v Underground Electric</i> The claimant is not required to take any unreasonable steps to mitigate, <i>The Borag</i> Remoteness: Losses suffered must have been those which would arise naturally or would have been within the contemplation of the parties, <i>Hadley v Baxendale</i>, <i>The Achilles</i> Unusual losses must have been within the contemplation of the parties, <i>Victoria Laundry v Newman</i> Parties are expected to contemplate the normal losses that would have been suffered by a business, <i>The Heron II</i> Causation: The breach of contract must be the direct cause of the loss. There must be no break in the chain of causation, <i>County Ltd v Girozentrale Securities</i>, <i>Quinn v Burch Bros (Builders) Ltd</i>. Credit any other relevant point(s) AO2 Analysis and application and AO3 Evaluation: - The principles of causation, remoteness, and mitigation ensure damages align with the breach of contract while protecting defendants from excessive or unforeseeable liabilities.	25

Question	Answer	Marks
5	• However, strict application of these limitations can be unjust, especially for claimants with complex or significant losses. Mitigation justice points: • The mitigation rule promotes justice by requiring the injured party to act reasonably to minimise their losses, preventing inflated damages due to inaction. • The rule on mitigation stops claimants from recovering losses that could have been avoided, aligning compensation with the actual harm and preventing unjust enrichment. • The standard for "reasonable" mitigation can be subjective, leading to disputes and potential unfairness for claimants whose actions are scrutinised after the breach. • The requirement to mitigate can burden claimants, especially in complex or high-stakes situations, potentially leading to reduced compensation and unfair outcomes. Remoteness of damage justice points: • The remoteness rule provides clarity and predictability, ensuring the breaching party is only liable for foreseeable losses. • The remoteness rule prevents defendants from being liable for unforeseeable and excessive losses. • The remoteness rule can be unfair to claimants who suffer significant but unforeseeable losses that are not compensable, as seen in <i>Victoria Laundry (Windsor) Ltd v Newman Industries Ltd (1949)</i>. • The remoteness principle may not reflect the complexities of commercial transactions where unforeseeable losses can be substantial. Causation justice points: • Causation ensures damages are awarded only for losses directly caused by the breach, aligning compensation with actual harm. • By focusing on direct causation, this principle prevents overcompensation for unrelated losses, protecting the breaching party from unfairly high liability. • However, proving causation can be challenging, especially in complex cases with multiple contributing factors, potentially leading to unfair outcomes if significant losses cannot be clearly linked to the breach. Credit any other relevant point(s)	
	AO1	12
	AO2	5
	AO3	8