

EXAMINATION PAPER:	ACADEMIC SESSION 2005/2006
Campus	Avery Hill
School	Architecture and Construction
Departments:	Building Economics & Management Urbanism
Title of Programme	BSc/BA (Hons) CONSTRUCTION BUSINESS MANAGEMENT BSc/BA (Hons) REAL ESTATE
Level	Undergraduate
Academic Stage	1
TITLE OF PAPER	LAW I: Principles of English Law
COURSE CODE	LAW 1078
Date and Time	Thursday 11th May 2006, start 2 pm (duration 2 hours)

Answer FOUR questions. All questions carry equal marks.

Candidates must comply with the 'Instructions to Candidates' printed on the examination answer book.

1. To what extent, if at all, is it true to say that “Statutory interpretation, begins and ends with the words of the statute”. Illustrate your answer with decided cases.

2. It is possible to enter into an agreement, which is not intended to be legally binding. Indeed, the law presumes that domestic and social arrangements are not intended to create legal relations. By contrast the law presumes that commercial agreements entered into by two or more people are intended to be legally binding. In either case, however, the presumption can be rebutted.

Discuss

3. With reference to case law, consider whether or not, the following are offers or invitations to treat and indicate in each situation the stage in the proceedings at which an agreement to sell might be presumed to have be concluded or reached.
 - a) B, a would be buyer of a flat asks the owner: “will you sell me your flat? E-mail lowest price”. In response, the owner replies: “Lowest cash price £150,000”. The prospective buyer replies: “I agree to buy your flat at £150,000 asked by you”. The owner refuses to sell the flat to B;

 - b) X, an auctioneer, advertises an auction sale but, owing to a shortage of stock, cancels it without due notice. Y, an antique dealer, incurs considerable travelling expenses to attend the cancelled auction sale. He now wishes to recover his costs from X;

4. Describe and carefully examine (a) the powers and functions of the European Commission and (b) the powers and functions of the Council of the European Union as set out in the EC Treaty

5. “A promise made as part of an agreement is not enforceable unless it is supported by valuable consideration”, (Martin Fitzgerald, Business Law in Context, The University of Greenwich, 2002. p. 82).

6. Ms Young, a minor, has hitherto run a successful Internet Café. She lives in a luxurious flat in Mayfair, the rent of which is £2000 per week. Her Internet business is conducted in a former Ballroom Dancing Hall of a well-known Motel in Park Lane, leasing the hall at £50,000 per month. She owns some 30 computers, pays a yearly retainer of £100,000 to Microve Software Ltd, for servicing and providing all the necessary maintenance work, and employs two engineers each of which is paid £45,000 per annum. The arrangements have been running for over two years now, but owing to the ongoing economic recession and the widespread use of laptops and handheld computers, the young entrepreneur is experiencing a cash flow problem. She therefore owes large sums of money to her two landlords (both leases have two years to run), Microve Software Ltd, her two employees, the HBS Departmental Store (for supplying a large collection of earrings, necklaces and designer label trainers), and Tudor Motors Ltd (who sold her a high performance sports car). She also wishes to re-locate her business outside London.

Advise Ms Young as to her legal rights.