

## Qualification Framework written examination

### Unit 1: Regulatory Environment and Enforcement

May 2024

#### Guidance for this examination

Please ensure that you indicate clearly at the top of the answer booklet, the law viewpoint from which you will be answering: English, Scottish or Welsh.

The examiners may expect candidates to show knowledge of legislation which is in place but not in force (i.e. has been enacted) and regulations which have been made but are not yet in force, if they are directly relevant to the subject-matter of the examination.

#### Examination structure

There are two sections to the examination paper:

*Section A* Consists of six questions.  
Candidates should attempt to answer three questions.  
Total allocation of marks is 30 marks.  
Suggested time allocation is 30 minutes.

*Section B* Consists of four questions.  
Candidates should attempt to answer two questions.  
Total allocation of marks is 70 marks.  
Suggested time allocation is 90 minutes.

Total time allowed – two hours (plus ten minutes' reading time).

#### Note:

The Regulatory Environment and Enforcement paper is a **closed book**; no materials are permitted to be taken into the examination room.

*The examination paper has (6) pages, including this front sheet.*

Section A

Candidates should attempt to answer three questions.

Each question carries ten marks.

Total: 30 marks.

1. **Answer both parts of the question.**

(a) Briefly explain why it is important to ensure that terms and conditions are incorporated into a contract. (2 marks)

(b) Describe the different ways terms can be incorporated into a contract, supporting each example with relevant case law. (8 marks)

(10 marks)

2. **Answer both parts of the question.**

(a) Outline the doctrine of precedent. (4 marks)

(b) Identify three advantages and three disadvantages of this doctrine. (6 marks)

(10 marks)

3. **English and Welsh candidates:**

Explain the purpose of the Regulator's Code 2014 and its main principles. (10 marks)

**Scottish candidates:**

Explain the purpose of the Scottish Regulator's Strategic Code of Practice and its main principles. (10 marks)

4. **English and Welsh candidates:**

Identify who a minor is and explain the circumstances, using examples, of when a contract entered into with a minor may be valid, invalid or voidable. (10 marks)

**Scottish candidates:**

Identify who a minor is and explain the circumstances, using examples, of when a contract entered into with a minor may be valid, invalid or can be set aside. (10 marks)

5. A DIY business asks you for some advice about the requirements for goods to be fit for a particular purpose in the Consumer Rights Act 2015. Outline the requirements and use practical examples to demonstrate circumstances where these requirements will apply. (10 marks)

6. **Answer both parts of the question.**

(a) List three civil law remedies and explain what each remedy is. (6 marks)

(b) List two criminal law remedies and explain what each remedy is. (4 marks)

(10 marks)

**Section A total of 30 marks.**

**End of Section A.**

## Section B

Candidates should attempt to answer two questions.

Each question carries 35 marks.

Total: 70 marks.

7. In the Government-commissioned research report entitled Resolving Consumer Disputes – Alternative Dispute Resolution and the Court System published in 2018, it was found that 46% of consumers using Alternative Dispute Resolution (ADR) services experienced problems. In response to these concerns, the current Digital Markets, Competition and Consumers Bill proposes to introduce more stringent measures for consumer ADR providers, which will include requiring providers to be accredited and approved.
- (a) Explain what ADR is and the different types of ADR available. (12 marks)
- (b) What are the advantages and disadvantages for consumers of using ADR as a means to resolve a dispute? (10 marks)
- (c) Some of the problems consumers experienced included concerns over the time the process took, customer service or a perception that the process favoured the business. 54% of cases took longer to resolve than the three months allowed and 16% of consumers who went to court did so because the business refused to comply with a previous alternative dispute resolution decision. Discuss whether you think requiring ADR providers to be accredited and approved will address these concerns and explain your reasons, using examples. (13 marks)
- (35 marks)
8. You have been asked by your manager to write a business guidance document explaining what digital content is and the digital content requirements under the Consumer Rights Act 2015. Write a guidance document for traders, setting out their obligations under the Act, including:
- the rights available to consumers
  - the remedies available to consumers
  - practical examples, explaining the rights and remedies that would apply in the chosen example
  - whether supplying free digital content falls under the Act.
- (35 marks)

**Section B continues over the page.**

9. Leah owns a shop selling rugby memorabilia. Her dream is to go on the Lions Rugby Tour in Australia. She decides to discount some items in the shop and to create a new website for the business to raise money towards the tour. Unfortunately, things don't go quite to plan.
- (a) Leah puts some items in the shop window with their discounted prices handwritten next to them. One of the items is a rare rugby programme, which she thinks she has priced at £400 but she has made a mistake and priced it at £40. Kate is a big rugby fan and spots the programme in the window. She is delighted because she has only seen a couple of these programmes before, all priced at over £500. Kate asks if Leah is happy to sell the programme for the price stated on the ticket in the window. Leah confirms that she is and mentions that £400 is a bargain. Leah hands the programme over to Kate, asking for the £400. Kate argues that Leah agreed to sell the programme for the amount on the ticket, so they have a contract, and she must sell it to her for £40. (15 marks)
- (b) Leah receives a call from Hamdi, who wants to purchase a signed rugby shirt on display. Leah says he can buy it for £100 if he comes to the shop later that day. Later in the morning, a customer brings the signed rugby shirt to the till and purchases it. At 5 o'clock, Hamdi arrives at the shop and introduces himself to Leah, asking about the rugby shirt. She apologises and says she didn't realise he wasn't the customer who purchased it earlier in the day. Hamdi is angry and says that it will cost him another £100 to purchase a similar shirt and Leah needs to cover that cost. Would your advice be any different if Hamdi had paid a deposit for Leah to keep the shirt for him until he arrived? (10 marks)
- (c) Leah decides to write her own terms and conditions for the new website. In the terms, Leah writes 'As soon as the goods are dispatched by us, the responsibility for the goods passes to you as the consumer,' 'all refunds for faulty goods will be processed within 28 days' and 'all refunds will be provided in the form of a credit note, which must be used within 24 months of the date of the note.'

Advise Leah how the law of contract, the Consumer Rights Act 2015 and the law of mistake apply to the above scenarios, providing relevant case law to support your answer. (10 marks)

(35 marks)

#### 10. English and Welsh candidates:

**Answer all parts of the question.**

- (a) Draw the structure of the England and Wales court system, including the civil and criminal courts. (15 marks)
- (b) Identify the differences in criminal and civil law terminology for the following:
- what the parties are called
  - how parties to the action are cited in the case
  - which party must usually prove the action
  - the burden of proof
  - a decision in favour of the defendant
  - a decision against the defendant
- (12 marks)

- (c) Civil and criminal law are often classified as being part of public and private law. Explain what these terms mean and provide another example of an area of law that is classified as private law.

(8 marks)  
(35 marks)

**Scottish candidates:**

**Answer all parts of the question.**

- (a) Draw the structure of the Scottish court system, including the civil and criminal courts.

(15 marks)

- (b) Identify the differences in criminal and civil law terminology for the following:

- what the parties are called
- how parties to the action are cited in the case
- which party must usually prove the action
- the burden of proof
- a decision in favour of the defendant
- a decision against the defendant

(12 marks)

- (c) Civil and criminal law are often classified as being part of public and private law. Explain what these terms mean and provide another example of an area of law that is classified as private law.

(8 marks)

**(35 marks)**

**Section B total of 70 marks.**

**END OF EXAMINATION PAPER.**