**INTRODUCTION TO BUSINESS LAW, AUTUMN 2014**

**ASSIGNMENT (Assessment 2)**

## Instructions

This document consists of five (5) pages including this page. Part A starts on page 2 and continues on page 3. Part B starts on page 3 and continues on page 4. A suggested format for the letter is on page 5.

This assignment consists of two parts: Part A (short answer questions) and Part B (letter). **Both Part A and Part B must be completed**.

Part A and Part B are each worth 15 marks (total for the Assignment is **30 marks**).

**Word limit:** The word limit for the entire assignment is 1500 words, excluding referencing.

There is no 10% margin of error on the word limit and you may not use footnotes to get around the word limit (eg, such as by placing extra text in the footnotes – footnotes should be used for the reference only as a general rule, not for added descriptions).

**Style and Format:** Your answers in Part A must be in full sentences, not point form. The letter should also be in full sentences and written in a formal, business-like tone. The letter should be submitted using either the suggested format (see the final page of this document), or another format you consider to be suitable for a formal business letter. Please note though that if the format is not suitable, marks for presentation will be reduced. See the section **Notes/Advice**, starting on page 4, for more information and tips on style, referencing and resources, etc.

**Checklist:** You must submit/deliver your assignment answers in accordance with the procedure outlined in the Learning Guide (i.e., must be submitted through **Turnitin**). The assignmentmust be submitted by the due date and time, or late penalties will begin to accumulate until received. In order to submit your assignment, please note the following:

* Please do NOT affix an Assignment Cover Sheet to your assignment. You **are NOT** required to include a Cover Sheet when uploading your assignment. Assignment Cover Sheets are automatically built-in to Turnitin.
* Part A: there is no need to include the questions, but you must number your answers consistently with the questions.
* Part B: Letter. Please start a new page for the letter.

It is not necessary to attach a copy of these instructions, or of the questions, as part of your assignment.

**Marking:** The marking criteria and standards are set out in the Learning Guide and will be used when marking and to provide feedback on your assignment. You may find it helpful to consult these while working on your assignment. See the Learning Guide for other information about marking and return of assignments, etc.

### Assignment Due: Wednesday, 22nd April 2014 by 5 pm.

### Part A: Short answer questions (15 marks)

## Questions

1. Fully explain the essential elements for a valid simple contract. **(3 marks)**

2. Jack and Jill had worked for the same company in Sydney for more than twelve months. They had become close friends.

Jack was offered an exciting new job in Melbourne provided that he can take up the position in seven days. He accepted the job offer and relocated within the week. Several days later Jack rang Jill from Melbourne in relation to his car which was parked at Jill’s apartment building car park. The following conversation took place between Jack and Jill:

Jack: “I have a company car in the new job so I am going to sell my car. If you want it you can have it for $3,000 even though it is worth twice as much as that, but I need to know by Friday”.

Jill: “I need a bit more time to think about this. Can I have until Sunday?”

Jack: “OK but no later”.

Jill seeks your advice on whether she has a contract in the following situation:

Jack sells the car for $10,000 to Clarence on Sunday morning. Jill rings Jack on Sunday afternoon to buy the car but before she can tell Jack she will take it he apologises to her for selling the car to Clarence as he made an offer “just too good to refuse”. **(3 marks)**

3. Joanna's aunt recently died, and in her Will Joanna was left the house and its contents, which included valuable paintings and antique furniture.

Joanna and her husband, Peter, have been suffering financial difficulties, and Peter’s building business has also been struggling financially. This is because most of his clients are friends and it has been hard to get them to pay for completed work.

Joanna decides to keep the house but sell the contents at a public auction. Once word of this sale gets out, she is contacted by relatives who desire certain objects. Her second cousin, Marie, writes to her, stating that she had been promised the big guilt edged mirror in the main hallway by the aunt. As it seems the aunt had forgotten the promise, Marie would buy it from Joanna for the nominal sum of $50 (the mirror is an antique worth $5,000). Marie stated that she will assume the mirror is hers if she does not hear from Joanna within two weeks after the postmark on the letter. She also hints that outstanding payments due to her husband's business for renovations done to Marie's house might be significantly delayed if she does not get her way.

As Peter has told her that the business is on the brink of collapsing unless some payments are received soon, Joanna decides to sell the mirror to Marie for $50.

Advise Joanna fully on what common law grounds under the law of contracts she may now use to attack the transaction with her second cousin, Marie. **(9 marks)**

**(Do not assume an argument you make is correct; discuss all reasonable arguments)**

### Part B: Extended response question: Letter to a lawyer (15 marks)

***Scenario***

On 15 January Peter brought his car to your garage to have certain mechanical repairs carried out. That evening thieves entered the garage and the car entertainment system, valued at $1,200 which Peter had installed in his car was stolen. The thieves were able to get into the garage because you forgot to close and lock a window when you left for the night. The next day, having completed the repairs, you used Peter’s car to drive to your friend’s house. While the car was parked outside the house someone (who has not been identified) drove into it causing $16,000 worth of damage.

Peter, whose family has owned a number of cars, had employed you regularly over the past five years for servicing and repair work. When Peter brought his car to the garage on this occasion he entered, as he always had done on such occasions, an office on the wall of which was displayed a small notice stating “Customers are kindly invited to note that all vehicles are accepted only subject to the conditions on our receipt forms.” On each previous occasion when he collected the car and paid for the work, Peter had been handed a document headed “Receipt”. On it were Peter’s name, a description of the car and the work carried out, a statement of the amount owing and an acknowledgment of payment of that amount. At the bottom of the receipt was printed:

“We regret that we cannot accept any responsibility for damage or loss caused to customers’ vehicles by fire, vandalism or otherwise howsoever caused.”

You have displayed the notice in the office and used the same receipt form during the past five years, but Peter says he has never read either of them.

You consider the applicable law and decide on whether you must offer compensation or can refuse to compensate Peter for the loss of the entertainment system and/or the damage to the car. You need to ‘run it past your lawyer’ before responding to Peter’s demands. You are requested to write a letter to a lawyer practising in a suitable area of law along the following lines:

* Introduce yourself;
* Explain the legally relevant facts;
* Explain what it is you want to do, and why you think you are entitled to act this way, within the scope of the law and
* Request the legal practitioner for advice about the legality of your plans and about any other legal concerns which you may have arising from these circumstances.

**Notes/advice:**

For the purposes of this letter you may invent the name of a lawyer or firm, ideally one that indicates the invented lawyer or firm is practising in the right area of law for this problem.

**Referencing**: Wherever you have taken an idea from another source, reference the source in a footnote to show support for the points you are making, and also to demonstrate the amount of research you have done.

Any direct quotes (words that are copied from another source and are not your own words) must be marked with quotation marks, and the source must be referenced in a footnote.

**Citation style:** Harvard style as per the Business School style requirements is acceptable for this assignment, or you can choose to follow the Australian Guide to Legal Citation. Regardless of style, if you are including references to cases or legislation, please use the following styles (the Acts and cases themselves are not relevant, they are only examples – note where the italics are and also the spacing and absence of punctuation):

Legislation: *Copyright Act 1968* (Cth) s 36

Case: *Grant v Commissioner of Patents* (2006) 154 FCR 62; [2006] FCAFC 120

**Some suitable research references/sources to get you started:**

* (Prescribed text) James, Nickolas, *Business law* (John Wiley & Sons, 3rd ed, 2013).
* Online Modules on *v*UWS.
* Gibson, Andy & Douglas, Fraser, *Business law* (Pearson, 7th ed, 2013)
* Turner, Clive, *Australian Commercial La*w (Law book, 29th ed, 2013)
* Other recent textbooks on Business Law (consult the Library catalogue).
* Internet resources may be used, provided they are reliable and reputable. Ensure that internet sources are on Australian law. Note: Wikipedia articles should not be used in this assessment task.

**Suggested format for the letter...** the parts in square brackets are guides to what you should put where - overwrite these words and brackets with your own content.

Your business name

Your business address

Our reference: \*\*\*\* (invent a file number)

[DATE]

[ADDRESSEE - the lawyer]

[ADDRESS]

[ADDRESS]

[GREETING / SALUTATION - Dear \*\*\*]

**RE: \*\*\*\*\*\*\*\*\*\***

[CONTENT — USE PARAGRAPHS & FULL SENTENCES]

Yours sincerely,

[SIGNATURE]

[NAME]