Summer Examinations 2015

LAW101515N

Module Title: Business and Company Law
Level: Four
Time Allowed: Two hours

Instructions to students:

- Enter your student number not your name on all answer books.
- Answer three out of six questions.
- All questions are equally weighted.

No. of Pages: 3
No. of Questions: 6
Answer **three** out of **six** questions.

1. Adrian wished to sell his laptop and put an advert in Free-ads, Offer for sale: Tech-nik 300 £1000, followed by his phone number. Brian telephoned Adrian and went to see the laptop and said that he would pay £500 but that he must have a written answer by next Wednesday.

Adrian decided to sell the laptop to Brian and on Tuesday posted a letter by first class post to inform him of this. On the same day Adrian sent a fax to Brian’s office but the fax was put on Brian’s desk and buried under a pile of papers. The letter was delayed in the post and was not delivered to Brian’s house until Thursday.

On Wednesday, as Brian had not heard from Adrian, he bought another laptop. Adrian is now claiming that Brian is in breach of contract.

**Advise Adrian**

2. Sophie, an Avion sales rep, bought a ticket to travel to London from Sunshine Coaches. On the front of the ticket in red letters it stated, ‘This ticket is issued subject to conditions’ and on the back of the ticket in bold letters it stated, ‘The company’s conditions are available in the company’s timetables and notices’. Sophie did not read her ticket. The conditions contained the following clause, ‘No guarantee is given by Sunshine Coaches that passengers will be taken to their destination and the company cannot accept liability for loss of passengers belongings, howsoever caused.’

The driver was admiring his new haircut in the rear view mirror and not paying attention to the road ahead. As a result the coach crashed. Sophie was told that she had to make her own way to London, which was a further 50 miles away and many of the Avion products she had been carrying had been damaged.

Advise Sophie of any claims she may make in respect of her damaged belongings and having to travel the remaining distance herself.

3. Explain how an agency relationship can be established in the following ways:

   a) By agreement
   b) By ratification
   c) By estoppel
   d) By necessity
4. To establish negligence the claimant must prove:
   
a) that the defendant owes a duty of care to the claimant
b) the defendant has breached that duty
c) that the breach caused harm to the claimant.

   **Explain what is meant by these three stages in more detail. Use cases to illustrate your answer.**

5. Ahmed ran a plumbing business as a sole trader for many years. His accountant has recommended that he should consider registering as a private company in order to gain the benefits of separate personality. He is unsure exactly what this is and seeks your advice on this and how he would go about registering?

   **Advise Ahmed**

6. Esther has worked for Reshma for the past 5 years. They frequently socialise together and have always been on friendly terms. Recently, however, they had an argument outside of work and totally unrelated to it. Esther is now concerned that Reshma is going to dismiss her from her job at the end of the week.

   Advise Esther in relation to the law relating to unfair dismissal. In particular advise her as to:
   
   a) The grounds on which dismissal may be fair
b) The grounds on which dismissal will be automatically unfair
d) The remedies she would have if she were to be unfairly dismissed.

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**End of Paper**

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