

Marketing assignment

[Business](#), [Marketing](#)



Before it went into liquidation Supplant sold the faulty television to the BBC Advertising Company. BBC used the television set for making presentations to its clients. Unfortunately, when BBC was presenting to one of its biggest clients, the fault in the television set caused it to explode damaging Abs's business premises and destroying Abs's DVD player which was attached to the television set. Fortunately, no one was injured. Does BBC have an action(s) against X Ltd for damages? Explain fully. QUESTION Nut & Bolt Pity Ltd operates a retail hardware store in Coalfield.

Mr. Nut and Ms Bolt are the directors. Nut is the managing director. He manages the retail store, while Bolt looks after the accounts. Nut and Bolt have agreed that all company transactions involving more than \$1, 000 will only be made with the approval of both directors. Nut leased a new Ford car in the company's name from H Cars Pity Ltd. The cost of the lease is greater than \$1, 000. Nut did not tell Bolt about the transaction. Nut used the vehicle for his own purposes and to drive to work each day.

H Cars is owned and operated by Nut's brother-in-law who knew that Nut did not have authority to enter into transactions over \$1, 000. When the first account from H Cars arrived, Bolt refused to pay arguing that the company (Nut & Bolt Pity Ltd) was not liable for the debt as Nut did not have authority to enter into transactions over \$1, 000. H Cars insists that the company is liable. Is the company (Nut & Bolt Pity Ltd) liable for the debt? Explain.

QUESTION Mary, Fred and Chris agree to start a restaurant in Melbourne. They decided to write down the rules of their agreement.

Some of the rules are that they decide to share profits and the management of the restaurant. They start their business which turns out to be very popular with the local residents. They also buy lots of items for their restaurant including a brand new Italian coffee machine that cost several thousand dollars. Mary and Chris want to put a clause in the agreement about what will happen to the coffee machine should the agreement end, but Fred persuades them that they do not need the clause. After a year Fred says that he is tired of the restaurant and that he is going to leave.

Mary and Chris tell him not to leave, but one night he leaves without telling them, taking the coffee machine with him. Mary and Chris are furious when they find out what has happened. They want the coffee machine back and they want to make sure that Fred is no longer part of their business. What can they do? Mary and Chris decided to let the coffee machine go to Fred as it was just not worth the trouble. In fact, that coffee machine had previously produced such a hot coffee that one of the customers received second degree burns on her lips while she only wanted to enjoy a short black.

Do you think that Mary and Chris should be worried about whether the customer has a claim against both of them under tort of negligence?

QUESTION Tartan Ltd was incorporated in 1999. Abigail, Banquet and Duncan are the directors. Tartan's constitution sets out the company's objects as being the importation and sale of Scottish cloth and clothing. While investigating Tartan's competitors, Banquet discovered that there was a fabric producer in Sydney producing cloth of equal quality to the imported cloth that Tartan was selling.

Seeing an opportunity, he purchased several hundred yards of the cloth and sold it to several of Tartan's customers making a profit of \$50,000 which he kept for himself. Unfortunately Tartan's business has not been very successful. The company's audit for the financial year ended 30 June 2000 revealed that the company had failed to make a trading profit. It further revealed that Tartan's liabilities were three times its assets, and that it had been unable to pay its suppliers for the last six months. However, these matters were barely discussed at the director's meeting which immediately followed the audit reports.

Instead the directors resolved that the company borrow \$2 million to purchase more tartan fabric. Four weeks after borrowing the \$2 million, the company was put into liquidation. Discuss the liability of the directors. Holly is a clothing designer and manufacturer. She sells her clothes by direct mail. In January she sent her 2008 catalogue by post to all her customers. One of the customers was Joyce. Joyce filled in the order form provided in the catalogue and posted it off on the 1st March. Joyce ordered three dresses marked at \$50 each.

Shortly afterwards Holly sent back a letter saying that Jockey's three dress would be dispatched in the next seven days, but that the price of each dress was \$250. Unfortunately, the printer had made a mistake when printing the catalogue. Joyce isn't want the dresses at \$250 each. Which of the following is the most accurate statement? EXPLAIN your answer. Holly is contractually bound to supply the dresses at \$50 each. Joyce is contractually bound to

accept the dresses at \$250 each. Joyce is not contractually bound, but she must send a letter to Holly before the dresses are dispatched.

Joyce is not contractually bound, and she does not have to send a letter to Holly. QUESTION Will and Ben run a small plant nursery called Flowerpot Men. Will does not take an active role in the day to day management of the nursery and so Will and Ben have agreed that Will should only receive 25% of the profits whilst Ben will receive 75%. They have also agreed that Will should only be liable for 25% of the costs of the business. No one but Will and Ben is aware of this arrangement. After being successful for quite a while the business collapsed and closed down.

Ben has taken all the cash out of the bank and disappeared. Before leaving, Ben borrowed \$10, 000 from a finance company, Rip-Off Ltd, at very high interest rates. Ben told Rip-Off that he was authorized by Flowerpot Men to borrow the money for the purpose of expanding the business. This was not true. The money disappeared along with Ben. Rip-Off wants Will to repay the \$10, 000. Will claims that he is not responsible as the money was used for Ben's own purposes. Alternatively, Will claims that, if he is liable, his liability is limited to \$2, 500 (I. E. 25%).

In addition, Will was contacted a week later by a person who said he paid Ben \$1, 000 for a new sapling which had not been delivered and that Will should reimburse him. This was one of many complaints received by Will indicating that Ben was still taking orders from even though the business was closed. Explain whether Will is liable to Rip-off for \$10, 000, \$2, 500 or for nothing; and what Will must do to prevent himself being liable for further

liabilities incurred by Ben. Goody Beatrice operates a successful crockery selling franchise called “ Beak’s Bowls and Crucibles” (“ BBC”).

John Proctor Pity Ltd is keen to open a BBC outlet in the Melbourne suburb of Clayton. The parties reach an agreement that John Proctor Pity Ltd will operate a BBC shop in Clayton for a period of five (5) years. In addition to other terms, the agreement states: 7. Goody Beatrice promises that she will not open another Beak’s Bowls and Crucibles shop within the Clayton area during the franchise period (I. E. 5 years). 8. John Proctor Pity Ltd will operate the shop strictly in accordance with the laws and regulations set out in the Crockery Industry Act.

In March 2003, John Proctor opened its shop. However, one year later, a Crockery Industry Act inspector visited John Proctor’s shop, and soon after this, John Proctor was charged and found guilty of breaching the Crockery Industry Act. Goody Beatrice immediately cancelled the remainder of the franchise agreement and opened another Beak’s Bowls and Crucibles franchise in Clayton. Goody Beatrice decided to operate this new franchise herself. Advise John Proctor Pity Ltd whether it has an action for breach of contract against Goody Beatrice, and (if so) what the appropriate remedies might be.

Moneymakers Pity Ltd is a company set up for the purpose of providing its clients with financial advice. Every month Moneymakers Pity Ltd sends out a three-page advice sheet to its clients. Last month Moneymakers advised its clients that they should buy shares in X Ltd as they were a very good investment. In fact, Moneymakers Pity Ltd had failed to read X Ltd’s financial

reports which suggested that X was likely to main in a depressed financial state for the foreseeable future.