Case studies of business law and corporations law

ASSIGN BUSTER

Case Studies of Business Law and Corporations Law

PART A

Contract law questions [Option 1]

ISSUE:

SOO Burgers is a prestigious brand in Australia which started a promotional campaign called the “ the Fair Dinkum Deal” and it ascertained that a token has been stuck to each wrapper of the double Decker type of EMU burger. If the customer is able to assimilate 50 such tickets, they can approach headquarter of the chain to obtain the golden ticket. It also stated that on scratching of the golden ticket collected, the customers can win a brand-new model of Mazda CX 9.

There were peculiarities arose with respect to the case, especially considering the standpoint of Brett. Brett on getting to learn about the idea accurately assumed that many customers will not be inspired to a sufficient degree to collect the ticket. Hence many of the tokens will be disposed of. Brett thus scoured waste bins to gather the tickets disposed of by the other consumers. In this manner, Brett was able to collect 100 tokens which he took to the headquarters. He found two golden tickets for the 100 tokens which he took the head office. There while waiting in the reception, an employee of the company came out and posted a message which stated that the company was sorry for some printing mistake with respect to the golden tickets. This thus apparently invalidated his attempts to obtain a brand-new car (Birt et al. 2019).

In the second instance, Mickey was sick and admitted in the hospital due to the consumption of 50 burgers to obtain the tokens attached with them. Mickey got to know from the discussions of the nurses at the hospital that the promotional offer had got cancelled. Mickey scratched his ticket and found the image of a car and he approached the company SOO Burgers for obtaining the promised product. The company now wants to understand whether the claims made by Mickey and Brett are legal or not.

RULES:

The *Australian Contract Law* ascertains and confirms legal enforcement of promises which are made as part of a bargain and the parties can enter into a contract freely, forming a legal relationship (). The laws which comprise of the different types of regulations and rules which are essential for enforcing the conditions with respect to the promises made (Acc. com 2019). In such cases, the salient components of *Agreements* and resultant *Consideration* are also considered while assessing the promises and breach of contracts made by the company. The case study can thus be adjudged based on the above perspectives. Also, the *Anticipatory* and *Discharge of breaches* will aid in understanding whether the claims made by the customers are valid or not.

ASSUMPTIONS:

Agreement is mutual obligations enforceable by law and elements of contract are the valid offer, adequate consideration and acceptance (Buscombe 2018). SOO Burgers in the contract made a valid *Offer* and anAcceptancein which a resilient and coherent point was reached by both the parties involved. An offer made by a party is a type of communication in

which the party claims to provide something in return in light of the fact that the other party involved fulfils certain defined terms and conditions. In this case, it has been seen that the SOO Burger made a valid offer to provide the winner of a golden ticket with a new car provided that the golden ticket on stretching revealed a car. This is a strong case of *the offered promise* made by the company to customers who had 50 tokens and a golden ticket with the car. Up till this point, it can be argued that the case was in favour of Mickey and Brett.

However, a closer assessment reveals that the case is vastly different under some consideration especially compared with the points of *Revocation* and *Rejection* (Howells and Ramsay 2018). While Brett was waiting in the reception for confirmation the company *revoked the offer* stating a printing error. The *offer* was cancelled then and there but Brett can claim the car to the company as the act of revocation is provided strength by the fact of *Rejection* , thus effectively eliminating any possibilities of bounding back. Hence it can be seen that since the company has revoked and rejected any claims, there is very little space for Brett to claim his prize. Also, any *revocation* made known to the public in a direct or indirect manner is valid thus making the case even stronger in favour of the company.

Alternately, it can be seen that Mickey on account of being hospitalised claimed no knowledge about the *revocation* and approached the company. But since the company has already communicated to the media and general public about the offer revoked the company is no longer liable to adhere to the claim made by Mickey. They *can reject the offer made* on solid grounds that the message was already communicated through valid channels.

There is a minor discrepancy in which Brett met a consumer who had got the car from the company after the notice was put up. This can be termed as an *Actual or Anticipatory breach* where the company fulfilled the expectations of one claimer but refuted the claims made by another. But even then, the claim is weak since the previous person completed a major part of the procedure before the notice was put up. Hence, claiming the car us nit actually in favour of either of them.

CONCLUSION:

In conclusion, it can be seen that SOO Burgers is not under any kind of obligation to fulfil the claims made by either Mickey or Brett. The Rejection and Revocation underlined by the company protect them from any legal action being taken. The prize claimed by the previous customer was done before the offer was revoked by the company. Thus, it can be ascertained after a detailed assessment, that the case is in favour of the company and the company is not liable to abide by the claims made by either of the customers.

PART B

CORPORATION law questions [Option 1]

ISSUE:

The case here involves an employee Sarah operating as the Managing Director of the company for the period of 2 years. The company Sparkling Pty Ltd has been operating in the vicinity of Tasmania and as per the ASIC. Though officially Sarah has been logged off, she has been operating as managing director for a sufficient amount of time. There was a clearly

defined contract which stated that Sarah could not execute any transactions on behalf of the company and the company itself was not allowed to borrow an amount *higher than the value of 20, 000 dollars* . The contract additionally stated that any transactions would require abject permission from the board of directors belonging to the company. Sarah conducted the activities of transactions despite having sufficient knowledge about the contract as well as knowledge regarding the lack of rights provided to her by the company. In the date of December 20 th , Sarah went ahead and asked for a loan of *30, 000 for the company* is well aware of the restrictions in the aforementioned contract. It can, however, be seen that the bank had no information regarding the rights of Sarah or the contract of the company. The bank has thus now asked the Sparkling Company to compensate the loan along with the interest generated over time. Thus, the case discusses whether the *company is obliged to pay* the bank the dues in light of the several facts brought to the forefront.

RULES:

As per the *Corporation Act* formulated in the year of *2001* and also as per the rules stated in theASICvarious divergent provisions which include the governance and operations of corporate organisations as well as takeovers, buyouts, funds raising, and financial reporting are considered. In this case, it may be seen that the employee was logged off during the transaction executed. Thus, as per the ASIC, it is entrusted with the responsibility of protecting the regime of the concerned investor and also diverse related financial services, for instance, licensing, disclosing of the provisions and the conduct associated with it (Legislation. gov. au 2019).

ASSUMPTIONS:

1. As per the laws defined and specific assumptions, there is very little possibility regarding the positive outcome of this case. Sarah as per the rules of the company was not allowed to execute any transaction without the permission of higher authorities. Also, an amount greater than 20, 000 could not be withdrawn. Sarah did not inform the company and the bank withdrawing a higher amount of 30, 000 dollars. The bank under such a circumstance can easily *file a case* against the company stating that they were not aware of the rule soft the contract with respect to Sarah and had no information about the return logged (Stewart et al. 2018). The bank has a *solid rationale* for filing a case against the company.
2. According to the scenario, the outcome would have been decidedly positive if Sarah had informed the higher management about the transactions. The higher management would have communicated with the bank regarding the contracts existing in their relationship with Sarah and also about the statements in the return logged. The board is aware of the contract would have devised a way to repay for the orders (Bennett 2018). The process in this matter would have been more ethical, authentic eliminating any possible potential for conflicts at a later stage (Bornstein 2019). If Sarah had informed the bank about the *defined policies* the institution would have formulated a method for cancelling the orders and the loan.
3. According to the defined case, it has been clearly enunciated that the loan was taken for the refurbishments and renovations of the shops.

Suing and filing for the case will not find grounds since the *bank was not knowledgeable* of the various terms and conditions affiliated with the contract (Barrymore and Ballard 2019). The bank without possessing sufficient knowledge tendered the loan. The important and relevant information has been suppressed by the employee of the company.

It is no concern of the bank that Sarah was not well-liked among the higher officials and that she was looking for a new job. The bank is not concerned with the fact that the company has rejected Sarah or was not paying the funds intentionally. Thus, once the loan has been tendered by the bank there does not exist an iota of consideration for Sparkling. The company is liable to pay the loan back or even the bank can ask for the compensation from Sarah herself. According to the *Corporation Act of 2001* , the company is supposed to pay the loan back with interest to the bank (Buscombe 2018).

CONCLUSION:

Thus, in the conclusion, it may be ascertained that Sarah had withheld necessary information regarding the amount of the loan as well as the details of her contract existing with the company. The bank had been it can be assumed was deliberately kept at dark during the entire process regarding relevant information which is not the fault of the bank. The return logged with regards to the duty appointment of Sarah was not available to the bank at the time of tendering the loan. It can be argued that the bank could have asked for legal papers defining the rights and limitations of Sarah in the company. Even that argument is ruled out since Sarah had breached the contract being fully aware of the policies. Also, the bank has a logical

right to sue against the company for paying back the loan and taking further action if the company fails to do so. If Sarah had made the bank aware of the content pertaining to the contract the outcome would have been vastly different. An element of ambiguity has been introduced which had been initiated by the employee of the company. Case filing is valid since Sarah as the managing director of the company has breached the contract and not honoured the restrictions defined in the contract. Hence the company is legally obliged to pay back the loan taken by Sarah on behalf of the company.

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