

Something worth essay sample

Law



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James Cook University Business Law CO5119 Practice Questions 1. Al operates a small business manufacturing specialist engine filters. In January he placed an advertisement in a car trade magazine stating that he would supply filters at \$60 per filter, but would consider a reduction in the price for substantial orders. He received a letter from Bash Cars Ltd requesting his terms of supply for 1, 000 filters. Al replied, offering to supply the filters at a cost of \$50 each. Bash Cars plc responded to Al's letter stating that they accepted his offer but that they would only pay \$45 per filter. Al wrote back to Bash Cars Ltd stating that he would supply the filters but only at the original price of \$50. When Al's letter arrived, the purchasing director of Bash Cars Ltd did not notice the alteration of the price and ordered the 1, 000 filters from Al, which he supplied. Analyse the situation from the perspective of contract law and in particular advise Al what price he is entitled to claim from Bash Cars Ltd.

2. Gertrude drives to work each day. She is in the habit of giving Hermione and Ivan a ride to work. At the outset of this arrangement, Hermione told Gertrude that she would pay her \$200 per month towards the cost of petrol and vehicle maintenance. Hermione told Gertrude that, as it would be difficult for her to arrange an alternate method of transport, she would need a month's notice if Gertrude could not take her. Ivan did not offer Gertrude any money for the journey, but at the end of the first month, told her that he would give her \$85 for the inconvenience of calling by his house early in the morning.

Jeremiah is Gertrude's younger brother and he promises to keep the car clean and mechanically sound if she will give him a lift to school each day.

Ivan fails to pay anything and Jeremiah never does clean or maintain the car Gertrude has to pay \$40 a month for cleaning and maintenance. Six months later, Gertrude decides to begin cycling to work each day, believing that the exercise will do her good. She informs her three passengers that she will no longer be driving to work. Advise Gertrude. 3. John visited Simon's boatyard, intending to buy a yacht. As he was looking at one of them, Simon came up to him and said: " Ah, this yacht is fantastic. It has a top speed of 100 knots. You know it used to be owned by the King of Bain." John did not care very much whether the yacht could go at 100 knots as he did not like to speed. But he was very impressed by the King of Bain part.

In actual fact, in the yacht's documents a top speed of 80 knots was specified and the previous owner was the King of Bain's nephew. Simon knew that neither of the statements was true. John bought the yacht happily and proudly. But a week later he was embarrassed and infuriated when he discovered that the King had never owned the yacht before. Advise John 4. Alvin pays \$3 via his cashcard to park his car in a multi-storey car park operated by Bozzo Pte Ltd. When he drives past the barrier, there is a sign displayed next to the barrier which reads " Entry subject to the company's terms and conditions displayed on the premises". After parking his car, Alvin sees a notice situated at a far corner of the car-park. However, much of the notice has been covered with spray paint by vandals. One of the conditions, which is barely legible, reads " Bozzo Pte Ltd is not responsible for any kind of bodily injury or damages." Alvin returns to find the side of his car damaged.

The damage is caused by an employee of Bozzo Pte Ltd who accidentally crashed into the side of car with a metal-wheeled rubbish bin. Bozzo Pte Ltd refused to accept responsibility. Advise Alvin 5. James paid for a booth at a three day Healthy Lifestyle exhibition to be held at Suntec City Exhibition Hall. He planned to exhibit the latest exercising machine for which he was the sole distributor. James had an excellent promotional video about the exercising machine and hired a sophisticated video projection set from ARX Systems for the 3 days. The exhibition started very well and James managed to clinch many sales.

However at lunch time on the second day, the video projection set broke down. James immediately called up ARX Systems but was told that their serviceman was on medical leave and that there was no standby set available. So, for the rest of the exhibition James made do without the video but his sales fell sharply. Advise James on his claim for damages against ARX Systems. 6. Bestfresh Foods runs a supermarket. One evening George was hurriedly doing his shopping in the supermarket. In his haste he knocked a bottle of sauce off the shelf, resulting in it spilling onto the floor. As he was in a great hurry he just rushed off to pay for his groceries. 20 minutes later Mary was shopping along the aisle when she slipped on the spilled sauce and fractured her hip bone. Advise Mary.

7. Alf, a carpet supplier, advertised that he would carpet an average three-bedroom family home for \$5000. Brenda selected one of the available carpet styles and Alf agreed to supply and install it for the advertised price saying: "That is five rooms at \$1000 per room - \$5000 altogether." Alf carpets three rooms and discovers that he cannot get further supplies of Brenda's carpet

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style. He notifies her that he cannot finish the job and submits a bill for \$3000. Can Brenda refuse to pay? Would your answer be different if the special offer was to carpet rooms at \$1000? 8. Alice ordered a new car from Braggart Motors on 10 January. She specified that it was to be red, with air conditioning, power steering, lambswool seat covers and a Wizzo brand CD player, and it was agreed that the car would be delivered on 24 January.

On that day, Alice went to the dealer's premises and found that the car was ready. She checked that all her requirements had been filled and, on being satisfied, drove the car away. Does that bring the contract to an end? 9.

Romeo, an accountant, uses a car to visit his clients. He decides to replace it and so agrees to sell the car for \$30000 to Juliet, who will use it in her business. Before the sale, Romeo suggests to Juliet that she give the car a thorough inspection and offers to put the car on to a ramp so that she can see underneath it, but she refuses. Juliet only takes the car for a drive and notices that when the brakes are applied the car diverts slightly from a straight line.

Romeo says that he will fix the brakes if Juliet agrees to pay an additional \$1000, but she decides not to bother and pays the original price. She drives the car away. It is four weeks before she arranges for the brakes to be repaired by a garage. As she is driving to the garage, the brakes fail and she crashes into another car owned by Tybalt. This accident causes \$5000 damage to Juliet's car and she has to pay \$10000 to Tybalt for the damage to his car. While Juliet's car is being repaired, the garage discovers that there is a serious rust problem in the floor of the car. Discuss the liability (if any) of Romeo under the Sale of Goods Act.