



BFA141
Commercial Transactions
Semester Two 2006

School of Accounting and Corporate Governance

Faculty of Business

Unit Outline

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<http://fems.its.utas.edu.au/business/accg/people.asp>

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1. Unit Description

(a) Unit Description

There are many units taught in the Business Degree program that require you to have some knowledge of the law and the legal system generally. Various types of commercial transactions are considered in the majority of units and each of them by definition must have some legal foundation. BFA141 Commercial Transactions provides the legal background, knowledge and skills that are necessary for successful study of later units.

(b) Campus & Mode

BFA141 is delivered face-to-face on-campus in Hobart, Launceston, and Burnie and Jakarta during Semester 2 and in Hobart during Spring School in November.

2. Learning Outcomes

At the conclusion of the Unit, you should be able to:

1. Explain basic legal contractual concepts, through the application of relevant legislation, cases, rules and principles of contract law (links to the knowledge and communication skills graduate attribute).
2. Apply contract law to specific situations (links to the knowledge and problem solving skills graduate attribute).
3. Apply negligence law to specific situations (links to the knowledge and problem solving skills graduate attribute)
4. Apply agency law to specific situations (links to the knowledge and problem solving skills graduate attribute)
5. Access up to date legislation, now and in the future (links to the knowledge and communication skills graduate attribute).
6. Communicate your level of understanding clearly and concisely (links to the communication skills graduate attribute).

3. Generic Graduate Attributes

The University has defined a set of generic graduate attributes that can be expected of all graduates (see <http://www.utas.edu.au/tl/policies/index.htm>). By undertaking this unit you should make progress in attaining the following attributes:

- Knowledge: explain basic contract law concepts through research and the application of contract law information.
- Communication skills: write and speak coherently on contract law issues.
- Problem-solving skills: interpret scenarios, identify relevant contract law issues and use contract law knowledge to justify your answers.

These generic graduate attributes are integrated in each and every assessment task in the unit.

4. Learning Resources Required

(a) Prescribed Texts

You must have ready access to the prescribed textbook that is available from the University Co-op Bookshops.

- Latimer, P. 2006, *Australian Business Law*, 25th ed, CCH Australia Ltd, Sydney.

This text is supported by an interactive self-paced learning CD “*Australian Law Courseware*.” This is not a prescribed learning resource, but can be purchased from the University Co-op Bookshops.

(b) Recommended Texts

Fleet, W., Summers, J. and Jones, B. 2006, *Communication Skills Handbook for Accounting*, 2nd ed, John Wiley & Sons, Brisbane, may assist you in both written and oral assignments.

(c) Other Learning Resources

PowerPoint slides for weekly lectures will be made available on WebCT Vista (see later). At the discretion of the Unit Coordinator, other materials may also be made available on WebCT Vista.

(d) Internet Websites and References (searching the net)

Some internet websites may be of use to you in your studies. If you find additional useful websites to those below, please forward details of the links to the Unit Coordinator via e-mail: Tom.Baxter@utas.edu.au

The most authoritative website to access consolidated (ie. current) Commonwealth legislation is: <http://www.comlaw.gov.au> If you have difficulty using ComLaw, you can also try its predecessor website <http://scaleplus.law.gov.au> but this is no longer kept up to date.

Tasmanian legislation may be accessed at: <http://www.thelaw.tas.gov.au>

Commonwealth and State legislation and some cases may also be accessed through the following site provided by the Australasian Legal Information Institute at: <http://www.austlii.org>

The National Library of Australia hosts a site named *Australian Law on the Internet* that includes, for example, an explanation of Australia's Legal System. See: <http://www.nla.gov.au/oz/law.html>

The Morris Miller Library (MML) and Law Library in Hobart and the Launceston Library have many resources. Check the relevant library for more details. You may contact the library online at: <http://www.utas.edu.au/library/>

Some of the library services may require login addresses and passwords. Check with the library for these details.

Another useful site is the Australian Competition and Consumer Commission (ACCC) site at <http://www.accc.gov.au>. It is particularly useful in relation to the *Trade Practices Act 1974* (Cth) and also has some helpful 'Links' to other sites, including Commonwealth and State Government sites such as, for example, *Tasmanian Consumer Affairs and Fair Trading*.

(e) WebCT Vista

WebCT (Web Course Tools) Vista, hereafter referred to as 'Vista', will be used by the Lecturer in connection with the delivery of this unit. The 'Vista' Internet service may be accessed on computers in computing laboratories at the University or, on your computer at home or at work. You do not require the Tas Access service to connect to Vista.

Access to Vista

The Vista service is available using a web browser (such as Netscape Navigator or Internet Explorer). The site for the service is: <http://vista.utas.edu.au>. Clicking 'University of Tasmania' takes you to the "Login" form at <http://vista.utas.edu.au/webct/entryPage.dowebct> where you should enter your email POP account "Username" (for example, bsmith) and your "Password". This 'Login' screen also provides access to the [Learning Online](http://www.utas.edu.au/coursesonline/) site at <http://www.utas.edu.au/coursesonline/>. This site includes helpful information such as [Computer Requirements!](#) (including software and hardware requirements) and access to 'Vista compatible software'. There are also links to [Vista Support - Self Help Sheets](#) and IT support. Vista is available from any Internet connection and is restricted only by your User Name and password.

Vista facilities

Vista offers a number of facilities the Lecturer may use. These include the following:

"Unit Information" – files will be placed here by the Lecturer including the Unit Outline, Faculty Guide for Students and Past Examination Papers.

"Learning Resources" – files will be placed in this area by the Lecturer that contain lecture materials, slides and other materials for lectures, and assignments.

"Communication" – this area includes 'Discussion' and 'Mail'. In the 'Discussion' area, facilities are provided for on-line 'Discussion' which students can use. Students can also use the 'Mail' area to forward emails to the lecturer-in-charge, although using the emails addresses provided inside the cover of this unit outline may provide a quicker response. The lecturer-in-charge will use the "Communication" facility to make announcements to students.

"[WebCT Help/Support](#)" – links to information and assistance about the use of Vista and other facilities.

(f) PDF files

Many of the files made available through Vista (eg: in the '*Learning Resources*' area) will be in Portable Document Format (PDF). These files can be viewed from within your web browser or separately by using a program called Adobe Acrobat Reader. This software is already installed on the machines in the Faculty Computing

Laboratory, but can be downloaded free of charge from the Adobe site should you want a copy for another machine. At time of writing the required URL was:
<http://www.adobe.com/prodindex/acrobat/readstep2.html>

(g) Getting IT assistance, including with Vista

The **Service Desk** provides support for students on IT, Library and online learning matters:

In person: Morris Miller Library on the Sandy Bay Campus and the Launceston Campus Library. Hours of operation are 8.30am to 5.00pm, Monday to Friday.

Online: <http://www.utas.edu.au/service-desk/student/index.html>

Phone: 6226 1818
1300 304903 (Local call charge from within Tas, except mobiles)

5. Details of Teaching Arrangements

(a) General

In nearly all teaching weeks of the Semester there will be a **two (2) hour Lecture** and a **one (1) hour Tutorial**. The only three (3) exceptions are that in:

- Week 1 there is only a lecture – you **must** attend this lecture as tutorial times will be allocated for Hobart and Launceston students then advised on WebCT;
- *Self-Directed Learning Week* (see later, Week 8) there is no lecture or tutorial;
- *Week 13* – there is no lecture or tutorial.

The topics to be covered week-by-week are as shown in the Unit Schedule later in this Outline. You must read the relevant chapters of the prescribed texts, probably several times. Refer to the additional text listed as '*Recommended*' above if you have difficulty understanding any parts of Latimer's text or if you are completing an assignment. Ask questions of your tutor and discuss topics with fellow students when appropriate, noting the very strict rules regarding plagiarism (see below).

(b) Lectures

A weekly 2-hour lecture will be used to introduce the various topics that we will cover in the unit. The Unit Schedule later in this Unit Outline gives you the weekly program of lecture topics.

Powerpoint slides for the weekly lectures will be made available on WebCT Vista. Do not expect to learn all you need to know by just attending lectures. It is what you do before and after the lectures and tutorials that really consolidates your knowledge. NOTE that there is NO lecture in the '*Self-Directed Learning Week*' (see later) and no lecture in Week 13.

(c) Tutorials

Tutorials are designed to develop your skills in applying the legal knowledge you have gained from lectures and private study and being able to condense a large quantity of legal information into a manageable summary that provides the most important points without unnecessary detail. Come along to all tutorials prepared to answer questions from the tutor and to ask questions of the students who will be presenting their tutorial assignment orally to the class (see later). Take every opportunity to interact with the presenter, other students and the tutor. This will help you to gain understanding and develop important skills. The Tutorial Program will be discussed in detail shortly. NOTE that there is NO tutorial in the '*Self-Directed Learning Week*' (see later) and no tutorial in Week 13.

Hobart and Launceston Students

Students will nominate preferred tutorial times in the first lecture. Tutorials will then be allocated and tutorial lists posted on WebCT by the start of Week 2 of Semester indicating tutorial times and locations.

Burnie Students

Students will be informed of the tutorial time in Week 1 of class.

(d) Self-Study – Your Commitment

As stated earlier, most of your learning will be done independently and away from the lecture theatres. This is a feature of a reflective approach to learning and will be achieved through your reading and written work. Your attempts at the tutorial and assignment questions are the most important of all learning activities so you must allocate sufficient time to doing them. Answering the questions will help you to:

- develop your legal problem solving skills;
- discover where you have learning difficulties;
- keep up with the pace of lectures; and
- be prepared for tutorials and the examination.

Complete the answers to the questions conscientiously so that you can find out where your difficulties lie. Because these are learning activities, we expect you to make some mistakes but help from teaching staff should resolve many problems. Ask your tutor for help. Do not leave major areas of difficulty until the end of the semester.

Private study can be more effective if you work with a friend or informal study group. Your private study need not be a solitary experience, though when it comes to assignments, note the very strict rules regarding plagiarism (see below).

(e) Self-Directed Learning Week

To help you develop your private study and research skills and get the most out of studying this unit, a '*Self-Directed Learning Week*' without Lectures or Tutorials has been set aside in Week 8 of Semester 2. The objectives of this Week are as follows:

- Give you a topic that would otherwise be covered in lectures and tutorials and ask you to research and study it yourself, making use of the texts and other resources.
- Require you to revise the topics that have already been covered in previous lectures and tutorials.

- Enable you to revise for forthcoming assessment tasks (ie. the multiple-choice test and the examination).

Further information about ‘*Self-Directed Learning Week*’ will be found in Part 2.7 of the Faculty’s **Guide for Students** at <http://www.utas.edu.au/accg/studentres.htm>

6. Learning Expectations and Strategies

(a) Expectations

Business students are faced with the challenge of developing technical skills as well as developing their independent learning skills as required by the business community and by the associated professional bodies. The process of “learning to learn” is nurtured by the University of Tasmania through learning activities that empower and enable students to undertake their own learning. The University’s aim is to change students from being passive recipients to active participants.

The enabling process occurs as a result of developing generic learning skills, problem-solving and communication skills, and by fostering appropriate learning attitudes, such as a willingness to initiate action, accept alternative points of view and to understand personal limitations.

You are therefore expected to take responsibility for your own learning. To maximise the benefit that you can derive from this unit it is crucial that you thoroughly prepare for the weekly classes by carefully studying all the appropriate readings and formulating questions on matters with which you are experiencing difficulty. If you miss any timetabled session, it is YOUR responsibility to obtain any information that you have missed.

Further information about the Faculty of Business’s philosophy on teaching and learning is set out in the ***Faculty’s Guide for Students*** which is available on BFA141’s WebCT Vista site and at the Accounting and Corporate Governance School’s website: <http://www.utas.edu.au/accg/studentres.htm>

The University’s Code of Conduct for Teaching and Learning is set out in the University Calendar at:

<http://www.admin.utas.edu.au/handbooks/utashandbooks/rules/ctea.html> and states:

Students are expected to participate actively and positively in the teaching/learning environment. They must attend classes when and as required, strive to maintain steady progress within the subject or unit framework, comply with workload expectations, and submit required work on time.

The University is committed to high standards of professional conduct in all activities, and holds its commitment and responsibilities to its students as being of paramount importance. Likewise, it holds expectations about the responsibilities students have as they pursue their studies within the special environment the University offers.

(b) Strategies

Although you are expected to take responsibility for your own learning, you are not on your own. If you need additional information refer to the Teaching & Learning website: <http://www.utas.edu.au/learndev/>

One strategy that should help you achieve excellent results is that of organizing your time so that you spend between 10 to 12 hours a week studying this unit, such as:

<i>Activity</i>	<i>Per week</i>
<i>Class contact – lectures and tutorials</i>	<i>3 hours</i>
<i>Reading before class</i>	<i>2 hours</i>
<i>Consolidating material after class and practicing exercises</i>	<i>3 hours</i>
<i>Preparing for class, assessments and the exam</i>	<i>4 hours</i>

It is strongly advised you work through the assigned problems *prior to* your tutorial in order to participate actively and confirm your understanding of the various topics.

7. Specific Attendance/Performance Requirements

You are expected to attend lectures and tutorials. You must achieve an overall mark of at least 50 per cent AND have completed and submitted each item of assessment to pass the unit.

8. Assessment Details

(a) Assessment Schedule

Assessment Task	Due Date	Length	Percentage Weighting
Written Assignment 1	As nominated by your Tutor in Tutorial 1 and commencing from Tutorial 2	1500 words	10
Oral Presentation	As above	15-20 mins	10
Written Assignment 2	11am, Wednesday, 9 August 2006	1500 words	10
In Class Test	Lecture of Week 10 starting 25 Sept 2006	50 mins	10
End of Semester Examination	During exam period	3 hours + reading time	60
			100

(b) Details of Assignment Tasks

Tutorial Program, Written Assignment 1 and Oral Presentation

Due Date: The written assignment **MUST** be submitted **no later than 11.00am** on the **Monday before the assignment is due to be presented** orally in your nominated tutorial class (see later), ie. 11:00am on the Monday date specified for your Question in the *Appendix* to this Unit Outline.

Length: 1500 words maximum [for Part (a) and Part (b) combined].

Marks: Written (10 marks) + Oral Presentation (10 marks) = Total 20 marks.

Links to Unit's Learning Outcomes: 1, 2, 3, 4, 5 & 6.

Task Description:

Tutorials are held weekly commencing in Week 2 of Semester 2 (week starting 24 July) and ending in Week 12. Tutorials are designed to promote informed discussion of legal issues. It cannot be too strongly emphasised that the preparation of answers to these questions and the exploration (through class discussion) of issues which they raise will play a crucial role in developing your understanding of this unit.

Topic: In the first tutorial you will be allocated one of the questions marked '*Individual Presentation – Assignment Question*' in the *Appendix* to the Unit Outline. You must write up the **WHOLE** assignment question you are nominated (ie. **BOTH** parts (a) and (b)).

Submission of Written Assignments:

A typed assignment covering the whole of your allocated question, ie. Part (a) **AND** Part (b), is to be submitted by **EACH** student.

Follow the specific instructions relating to *Requirements for Assignments* and *Submission of Assignments* that are provided later in this Outline.

Individual Oral Presentations:

When you are allocated your '*Individual Presentation – Assignment Question*' in the first tutorial, your tutor will give you part of the Question, **EITHER** Part (a) **OR** Part (b), to present as your **ORAL** presentation in the corresponding tutorial.

Depending on the number of students in a tutorial it may be necessary to allocate more than two students to present some questions. Oral presentations commence in Tutorial 2 (ie. Week 3) and end in Week 12.

Guidelines for Oral Presentation:

For the purposes of the **ORAL** presentation, **EACH** assignment presenter (of Part (a) or Part (b) as the case may be) is allowed a *maximum of 20 minutes* inclusive of the explanations, responses to questions and/or clarifications to be provided.

Both during and after the oral presentation, the tutor will ask questions of the individual presenter. The purpose is to test the presenter's understanding of the material presented and other related aspects and to focus the attention of the tutorial group on some important principles.

You are encouraged to involve the tutorial class members in your presentation by quizzes, role-playing exercises, the use of appropriate visual aids, etc.

Do NOT just read your written paper; make the main points and involve the rest of the group in the presentation (see Class Participation below).

The tutorial assessment form that will be used to mark your Written Assignment 1 and oral presentation will be placed on WebCT Vista so you can see in advance the criteria upon which you will be assessed.

This exercise will be conducted in such a way as not to disadvantage students from an overseas background where English is taught and learnt as a second language.

Class Participation in Tutorials:

The *Questions for General Discussion* and the *Assignment Questions for Individual Presentation* generally relate to lecture materials covered in the previous week and may include material from earlier lectures where relevant. It is intended that knowledge and familiarity with lecture materials previously covered will be reinforced by student presentations and discussion.

The individual students presenting assignments are required to give an oral presentation to the tutorial class providing information to answer the assignment question. However, ALL STUDENTS are required to have knowledge of the answer to the question as it forms part of the 'Questions for Discussion' to be considered at each tutorial meeting. Questions may be asked of students in a tutorial who are not presenting assignments.

Tutorials Without a Nominated Student Presentation:

In Tutorials where there are no students orally presenting the relevant 'Question for Discussion/Presentation', ALL students in the Tutorial are required to prepare an answer to the question and come along to the Tutorial prepared to participate in discussion of the answer/s.

Written Assignment 2

Due Date: 11am, Wednesday, 9 August 2006.

Length: 1500 words.

Marks: 10 marks.

Links to Unit's Learning Outcomes: 1, 5 & 6.

Task Description:

A written assignment and its assessment criteria will be posted on WebCT Vista and a hard copy distributed in your lecture for you to complete in accordance with its instructions. Also see the *Requirements for Assignments* and *Submission of Assignments* later in this Outline.

In Class Test

Due Date: Administered in the lecture the week commencing **25 September 2006**.

Length: 50 minutes.

Marks: 20 marks.

Links to Unit's Learning Outcomes: 1, 2 & 3.

Task Description:

A multiple choice (ie. choose one answer from a number of choices) test will be administered during the lecture the week commencing **25 September 2006**.

The test will assess your knowledge of topics covered previous to its administration. It will also provide useful preparation in advance of the final examination. Further details will be advised via WebCT Vista.

Examination

Scheduled Date and Place of Examination:

Your final examination for this unit will be held during the scheduled examination period as advised by the University, see: <http://www.utas.edu.au/keydates/2006dates.html>

Most exams are held during working hours, usually between 9.00 a.m. and 5.00 p.m., Monday to Saturday. The University will release the Semester 2 examination timetable, giving information including the exact dates and times of your examinations on Friday 29 September 2006.

Marks: 60 marks.

Links to Unit's Learning Outcomes: 1, 2, 3, 4, 5 & 6.

Task Description:

You must sit a **THREE (3) hour + 15 min** reading time closed-book examination. The purpose of the examination is to ascertain the extent to which you have developed an understanding of the principles of law with which the unit is concerned, capacity to apply those principles and the ability to communicate this in writing.

You will be required to answer any FOUR (4) of the questions on the examination paper. Questions may be divided into two or more parts in which case all parts must be attempted.

Copies of ‘Past Examination Papers’ will be placed in the “Unit Information” area of Vista. You should refer to past papers when studying for the Final Examination in this unit. In the course of carrying out your revision and study, it is a useful exercise to select questions from past papers and prepare model answers for them.

Further information regarding the examination will be provided to you at the end of Semester.

9. Assessment/Learning Outcomes/Generic Graduate Attributes Matrix

Assessment task 1	Assignment 1 (Written)					
Assessment task 2	Assignment (Oral Presentation)					
Assessment task 3	Assignment 2 (Written)					
Assessment task 4	In Class Test					
Assessment task 5	Final Examination					
Learning Outcomes:						
	Learning outcome 1	√	√	√	√	√
	Learning outcome 2	√	√		√	√
	Learning outcome 3	√	√		√	√
	Learning outcome 4	√			√	√
	Learning outcome 5	√		√	√	√
	Learning outcome 6	√		√	√	√
UTas Generic Graduate Attribute						
	Knowledge	√	√	√	√	√
	Communication skills	√		√	√	√
	Problem-solving skills	√		√	√	√
	Global perspective					
	Social responsibility					

Matrix adapted from Unit Outline, Faculty of Business, University of the Sunshine Coast 2003

10. How Your Final Result is Determined

Your final result is determined by adding your total weighted assignment marks for the different assessment components of the unit. To obtain a pass or better in the unit, you must submit all coursework and obtain 50% or more of the total marks available.

Standardisation

In order to maintain the high reputation of the School of Accounting and Corporate Governance in the wider community – educationally, academically and by business – the School does not standardise student results. Rather, the School expects high standards of their students, and insists that students devote sufficient time and effort to their studies throughout the semester to achieve grades of pass or higher on merit.

11. Requirements for Assignments

In preparing and submitting your assignments you should follow the guidelines contained in the *Guide for Students* issued by the Faculty of Business <http://www.utas.edu.au/accg/studentres.htm> and the following specific instructions

Assignments must be typed in 11-point Times New Roman font and be easily read. Number every page in the bottom right corner.

Written assignments must be no more than *1500 words in length*. Do NOT exceed the specified number of words as doing so will result in being penalised by a deduction of marks (see later in this Outline). If using Microsoft Word use the 'Tools' – 'Word Count' function: do NOT include footnotes or endnotes or your References listed at the end of your assignment).

Marks will also be deducted for late assignments (see later in this Outline).

At the start of any problem question where you are asked to advise (eg. tutorial questions, part (b)), include a disclaimer making clear that you are not a lawyer.

Legal Referencing

Include references throughout, cited correctly with a consistent format, including the page and if applicable, paragraph ¶ number wherever you have used a text. The best method of legal referencing is by inserting footnotes where, for cases, the full citation should appear eg. *Brown v Jones* (1999) 27 ALR 61 [See below]. Each assignment should contain a full list of References at the end, including (as relevant):

- Bibliography (all texts used);
- Table of Legislation;
- Table of Cases; and
- Table of Web Citations.

Cite primary sources (eg. legislation sections, case citations) in preference to secondary and tertiary sources (eg. the year of enactment should be in *italics* but not the jurisdiction. Jurisdiction in this context refers to the Parliament enacting the legislation (eg. Commonwealth (Cth), Tasmania (Tas), New South Wales (NSW)). Legislation should be set out in full when first cited, but can be followed by an abbreviated version in brackets for subsequent use, eg.:

- *Trade Practices Act 1974* (Cth) [TPA];
- *Partnership Act 1891* (Tas) [PA (Tas)].

When referencing cases the title to the case should be in *italics* but not the year nor the rest of the citation eg.:

- *Donoghue v Stevenson* [1932] AC 562;
- *Burnie Port Authority v General Jones Pty Ltd* (1994) 179 CLR 520.

Assessment Criteria

Assignments will be marked on presentation and syntax, compliance with instructions (such as above) and substance including: coherence and logical structure; correct

identification of the relevant issues and law; correct application and use of case law, statutory principles and other relevant information; depth of analysis and comprehensive referencing.

12. Submission of Assignments

Assignments are required to be submitted as detailed in the Faculty's *Guide for Students*. For example, you must staple to the front of your Assignment the *Assignment Cover Sheet*, completed, signed and dated by you. These are available at the BFA141 WebCT Vista site or <http://www.utas.edu.au/accg/studentres.htm>. Assignments without a *signed* cover sheet *will not be marked*.

On the *Assignment Cover Sheet*, at 'Assignment Title' write the Assignment Number and, for Assignment 1, the relevant Tutorial Question No. (not the Week No.), as set out in the Appendix to this Outline. Below 'Campus', write 'Word Count' and insert your exact number of words (use the 'Tools' – 'Word Count' function if using Microsoft Word: do NOT include footnotes or endnotes or your References as listed at the end of your assignment).

Please do NOT put your assignment in a folder or plastic pocket.

Hobart - assignments must be submitted via the School of Accounting and Corporate Governance assignment box, Level 5, Business Building, Hobart campus.

Launceston – assignments must be submitted via the assignment box in the Faculty of Business area, Launceston campus.

Cradle Coast – assignments must be submitted via the Cradle Coast Burnie office.

13. Penalties

Over-length Work

Where word limits have been specified, take care not to exceed this as any course work over the word limit will be penalised by -10% for every excess 100 words. There is no +10% leeway for excess words.

Late Submission of Continuous Coursework

Consistent with the Faculty's policy on late submission, extensions of time will only be granted on medical or compassionate grounds. They will not be granted because of work or other commitments. Requests for extension must be made to your lecturer in writing on the School's Application for Extension Form available at <http://www.utas.edu.au/accg/studentres.htm> Medical certificates or other evidence, which supports the application, must be attached. Coursework that is not handed in by the agreed completion date will incur a penalty of 10% of the available marks for each day, or part day, the assignment is late.

14. Plagiarism

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own, for example:

- using an author's words without putting them in quotation marks and citing the source;
- using an author's ideas without proper acknowledgment and citation; or
- copying another student's work.

If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer for relevant referencing guidelines, and the academic integrity resources on the web at

<http://www.utas.edu.au/tl/supporting/academicintegrity/index.html>.

The intentional copying of someone else's work as one's own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University. Details of penalties that can be imposed are available in the Ordinance of Student Discipline – Part 3 Academic Misconduct, see

<http://www.utas.edu.au/universitycouncil/legislation/ord9.pdf>

The University reserves the right to submit assignments to plagiarism detection software, and might then retain a copy of the assignment on its database for the purpose of future plagiarism checking.

For further information on this statement and general referencing guidelines, see <http://www.utas.edu.au/plagiarism/> or follow the link under 'Policy, Procedures and Feedback' on the **Current Students** homepage.

To guard against plagiarism in connection with the submission of the assignments in this unit, students are required to swear a DECLARATION that forms part of the cover sheet that is required to be attached to assignments. By signing the declaration students undertake to follow the rules set down in the Ordinances forbidding plagiarism and accept that should this offence be proved they have had sufficient warning of the consequences of such a course of behaviour.

The wording of the declaration is as follows:

I declare that all material in this assignment is my own work except where there is clear acknowledgement or reference to the work of others. I am aware that my assignment may be submitted to plagiarism detection software, and might be retained on its database. I have read the University statement on Academic Misconduct (Plagiarism) on the University website at www.utas.edu.au/plagiarism or in the Student Information Handbook. I will keep a copy of this assignment until the end of the semester.

SIGNED: _____

DATE: _____

In general:

- (a) Always express your own ideas in your own words. When drawing from the work of other authors,
- (b) Do not incorporate the words used by text writers, your lecturer or other students in your answer unless you attribute those words to their author by citing the source and, if a quotation is used, show it in “inverted commas”.
- (c) Never hand in an assignment which is the same as, or similar to, another student’s assignment. If two or more similar assignments are received, all students concerned may be penalised for plagiarism. Never leave assignments in any place where they could be copied, either by computer or a photocopier.

15. Further Information and Assistance

Student Services

If you are experiencing difficulties with your studies or assignments, have personal or life planning issues, disability or illness which may affect your course of study, you are advised to raise these with your lecturer or tutor in the first instance. There is a range of University-wide support services available to you including Teaching & Learning, Student Services, and International Services. Please refer to the <http://www.utas.edu.au/students/> and <http://services.admin.utas.edu.au/>

Library Services

If you require assistance accessing the Library see <http://www.utas.edu.au/library/>

School Ombudspersons

If you have any concerns about this unit then in the first instance you should discuss the matter with your lecturer. However, if you do not feel comfortable approaching your lecturer, or if you do have a discussion with the lecturer and are dissatisfied with the outcome, then you may contact one of the following people who also teach in the School of Accounting and Corporate Governance:

Ms. Simone Bingham
Room: 421, Commerce building, Hobart
Telephone: 6226 2314
E-mail: Simone.Bingham@utas.edu.au

Mr. David Moore
Room: A259, Launceston campus
Telephone: 6234 3558
E-mail: David.Moore@utas.edu.au

Occupational Health and Safety (OH&S)

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University’s policy at: http://www.admin.utas.edu.au/hr/ohs/pol_proc/ohs.pdf

Students with Disabilities - University and Faculty Equity Plans

Goal 1 of the University of Tasmania Equity Plan provides for: “An inclusive teaching and learning environment that values diversity, supports the pursuit of academic excellence and produces high quality education and employment results for all students and staff.” The Faculty of Business Equity Plan facilitates the University Plan at an operational level and has developed an ‘Action Plan’. The Action Plan for Goal 1 lays down procedures to ensure that students have equal access to lecture and course materials. The School of Accounting & Corporate Governance complies with these procedures.

16. Unit Schedule - BFA141 Semester 2, 2006

Week No.	Week Starts Monday	Text* Chapter	Lecture Topics	Tutorial
1	17/7	1-2	The Legal System and the Administration of Law: <ul style="list-style-type: none"> Sources of Law; The Federal System; Legal Procedure; Interpretation of Statutes; Doctrine of Precedent; Crime 	
2	24/7	5	The Law of Contract: <ul style="list-style-type: none"> Formation of the Contract Intention to Create Legal Relations; Legal Capacity 	1
3	31/7	5	The Law of Contract: <ul style="list-style-type: none"> Agreement; Offer and Acceptance 	2
4	7/8	5	The Law of Contract: <ul style="list-style-type: none"> Consideration; Genuine Consent - Mistake; Misrepresentation <p><i>Written Assignment 2 due 11am, Wednesday, 9 August 2006</i></p>	3
5	14/8	5	The Law of Contract: <ul style="list-style-type: none"> Genuine Consent - Undue Influence; Duress; Unconscionability; <i>Trade Practices Act</i> and <i>Fair Trading Act</i> provisions including misleading and deceptive conduct and unconscionability 	4
6	21/8	5	The Law of Contract: <ul style="list-style-type: none"> Legality of Objects; Illegal and void contracts; Restraint of Trade 	5
7	28/8	6	The Law of Contract: <ul style="list-style-type: none"> Contents of the Contract - Terms; Conditions; Warranties; Exclusion Clauses 	6
	4/9		[MID SEMESTER BREAK 4 – 10 Sept 2006]	
8	11/9	6	The Law of Contract: The End of the Contract - Discharge and Remedies. Self Directed Study Week – No BFA141 lectures or tutorials	
9	18/9	4	The Law of Torts: <ul style="list-style-type: none"> Negligence; Negligent Misstatement; Liability of Advisers; Accountants; Auditors 	7
10	25/9	7	Consumer Law <i>Multiple Choice Test – undertaken in this lecture</i>	8
11	2/10	11	The Law of Agency	9
12	9/10	9-10	Business Organisations Examination Comment	10
13	16/10		Examination Preparation – No BFA141 lectures or tutorials	

* **Note:** Chapter reference is to the prescribed text, Latimer, P. 2006, *Australian Business Law*, 25th ed, CCH Australia Ltd Sydney.

17. APPENDIX to Unit Outline

Questions for Tutorials and Assignment 1

Tutorial 1 (Week 2 of Semester, the week commencing 24 July 2006)

In this Tutorial, firstly, students will be allocated for presentation and submission of the Assignment 1 Questions to be presented in tutorials. Questions are listed below and marked “*Individual Presentation Assignment Topic*”. In the remaining tutorial time the “*Questions for General Discussion*” will be discussed by students.

Every student is required to prepare and be ready to discuss short answers to each question. The tutor will ask questions of students.

Questions for General Discussion

- (a) What is meant by “the rule of law”?
- (b) What are the primary sources of Australian law?
- (c) How does the Australian Constitution divide law-making powers between the Commonwealth Parliament and the State Parliaments? What happens if a law passed by the Commonwealth Parliament is inconsistent with a law passed by a State Parliament?
- (d) What is meant by the doctrine of the “separation of powers”?

Tutorial 2 (Week 3 of Semester, the week commencing 31 July 2006)

Individual Presentation - Assignment Question

- (a)
 - i Explain the presumptions that Australian courts make in relation to intention to create legal relations, in the context of:
 - 1) Commercial agreements; and
 - 2) Family, domestic, social and voluntary agreements.
 - ii List and discuss the three (3) main classes of person who, today, may lack the legal capacity to contract. For each of these three (3) classes of person, explain the circumstances in which a contract signed by such a person is voidable. Illustrate your answer with relevant case law and statutory provisions.
- (b) Subzero Pty Ltd, a wholly owned subsidiary of Maximillion Ltd, applied to Big Bucks Bank for a \$10 million loan. As security for repayment, the Bank sought from Maximillion Ltd a guarantee of repayment of the loan by Subzero Pty Ltd. Maximillion Ltd said that its board of directors would need to consider the request for a guarantee and the earliest opportunity to do so would be at the next board meeting in two weeks time. In the meantime, the Managing Director of Maximillion Ltd delivered a letter to Big Bucks Bank stating that the board of Maximillion Ltd would ‘favourably consider the request for a guarantee’ at its

next meeting. The board meeting was unfortunately postponed for one month, due to the fact that the Chairman of the Board became ill.

Without waiting for the formal board approval of Maximillion Ltd to the guarantee, Big Bucks Bank went ahead and approved the loan to Subzero Pty Ltd and advanced the \$10 million.

At the subsequent meeting of the board of directors of Maximillion Ltd, it was decided not to agree to the proposed guarantee of the loan by Big Bucks Bank to Subzero Pty Ltd. The company secretary gave formal notice of the board decision to Big Bucks Bank.

Within six months of the loan, Subzero Pty Ltd defaults on loan repayments. The Bank of Tasmania terminates the loan and commences legal proceedings against Subzero Pty Ltd. It also alleges that Maximillion Ltd guaranteed the loan with the letter that the managing director provided to the Bank.

Required:

Advise Big Bucks Bank of its chances of successfully enforcing the alleged guarantee against Maximillion Ltd.

Tutorial 3 (Week 4 of Semester, the week commencing 7 August 2006)

Individual Presentation - Assignment Question

- (a) “The rules of offer and acceptance help determine whether a contract exists – whether an *offer* was made by one party (the offeror) which was *accepted* by the other party (the offeree)”: Latimer, P. 2006, *Australian Business Law*, 25th ed, ¶5-130, p.279.

Required:

- i Explain four (4) legal rules as to offer and cite relevant cases for the rules.
 - ii Explain nine (9) legal rules as to acceptance and cite relevant cases for the rules.
 - iii Explain four (4) ways in which an offer can be terminated before it is accepted.
 - iv Explain how the legal rule that acceptance must be communicated applies to acceptance by: (i) email; (ii) fax; and (iii) mail/post. Cite relevant cases.
- (b) Julie owns a small farm and decides that she needs to sell 50 cows and their calves before the end of July. She knows that Leonard, a cattle farmer, wants to buy some more cattle. On 10 July 2006 Julie writes to Leonard:

Dear Leonard

I remember that when we last met you were after some more cows. I have 50, (some with calves) for sale for \$1,500.

If you wish to purchase these from me, please contact me by return post within the next 14 days and you can have them at this price provided you can collect them no later than 30 July 2006.

Yours faithfully

Julie Jersey

Leonard receives the letter on 12 July 2006. He posts a letter back to Julie on Friday 23 July 2006 accepting all her terms. By 26 July 2006, having heard nothing from Leonard, Julie answers a 'Cattle Wanted Advertisement' she notices placed by Bill in 'Farmers Weekly' magazine. She speaks to him and agrees to sell the cattle to him for \$1,500.

On 27 July 2006 Bill comes and collects the cattle from her and pays the \$1,500. On her way to town to bank the money, Julie drops a note into Leonard's letterbox, confirming that she has sold the cows, as she has not heard from him. On 28 July Julie receives in the post the letter that Leonard sent on 23 July 2006 accepting her offer. She attempts to telephone Leonard, but he is not there. Leonard arrives on 30 July 2006 with his cattle truck and \$1,500 to complete the deal.

Required:

Advise Leonard whether he has an enforceable contract with Julie. In your answer refer to relevant legal principles, and decided cases.

Tutorial 4 (Week 5 of Semester, the week commencing 14 August 2006)
Individual Presentation - Assignment Question

- (a)
 - i Define consideration, citing a case authority.
 - ii What form of contract does not require consideration? List three (3) examples of a form of contract that does not require consideration.
 - iii List the five (5) common law rules which set out the operation of the doctrine of consideration. Cite relevant cases for the rules.
 - iv Does performance of a public duty provide good consideration? Explain and illustrate your answer with relevant cases.
 - v Does performance of a duty already imposed by contract provide good consideration? Explain and illustrate your answer with relevant cases.

- (b) Henri, a French migrant who cannot read English, wishes to give a block of land he owns in Tasmania to his favourite daughter. Henri is persuaded by Rex to sign a document. Rex suggests to Henri that he might seek legal advice before signing. Henri ignores Rex's suggestion and does not seek legal advice.

Henri believes that he is signing a receipt for \$50 which Rex owed to him and, which Rex has paid to him. In fact, the document is an option to purchase the block of land in three (3) months time from Henri for \$50,000.

Rex assigns the option to Fairbanks Farms Pty Ltd, which has no knowledge of the dealings between Henri and Rex. Fairbanks Farms Pty Ltd exercises the option to purchase the block of land within the three (3) month period. Henri refuses to sell the land to Fairbanks Farms Pty Ltd.

Required:

Advise Henri. Illustrate your answer with relevant case law. Do NOT refer to legislation.

Tutorial 5 (Week 6 of Semester, commencing 21 August 2006)

Individual Presentation - Assignment Question

- (a) i Explain the effect of section 51AA of the *Trade Practices Act 1974* (Cth) (the TPA). Illustrate your answer with relevant case law.
- ii List five (5) matters to which a court may have regard in deciding whether a corporation has engaged in conduct that is unconscionable contrary to subsection 51AB(1) of the TPA.
- iii Are these five (5) matters the only matters to which a court may have regard in deciding whether a corporation has engaged in conduct that is unconscionable contrary to subsection 51AB(1) of the TPA? Give reasons for your answer.
- iv What is the difference between section 51AB of the TPA and section 15 of the *Fair Trading Act 1990* (Tas)? Explain the reason for this difference? .
- (b) Avril, a rising 20-year-old Tasmanian songwriter, is persuaded to enter into a contract with Exploitations Music Agencies Pty Ltd by Peter, the Tasmanian director of Exploitations Music Agencies Pty Ltd. The contract gives copyright to Exploitations Music Agencies Pty Ltd in respect of all Avril's song compositions at the date of signing the contract and exclusive rights to them for the five (5) year period of the contract. Under the terms of the contract, Exploitations Music Agencies Pty Ltd is under no legal obligation to publish any of Avril's songs and, even if songs are published by the company, the contract limits any royalty payments to Avril to \$100,000 over the five (5) year period of the contract.

Avril signs the contract without reading it nor seeking independent legal advice. This happens after Peter threatens to spread rumours around Tasmania that Avril has been involved in dealing in the drug "Ecstasy" in bars and night clubs (which is not true). Peter tells Avril, 'The police will be down on you like a ton of bricks'. Peter also says that Avril's musical career will be destroyed.

One (1) year later, after Avril has had two (2) songs published and sold by Exploitation Music Agencies Pty Ltd and they have been featured on radio Triple J, Avril decides to accept a new five (5) year contract with Global Records Inc of San Francisco for \$500,000 plus annual royalties of 20%.

Exploitation Music Agencies Pty Ltd now threatens Avril with legal action for breach of contract if she signs a contract with Global Records Inc.

Required:

Advise Avril. Illustrate your answer with relevant case law and legislation.

Tutorial 6 (Week 7, week commencing 28 August 2006)

Individual Presentation - Assignment Question

- (a) What types of contracts are illegal or void at common law? Discuss.
- (b) In June 2006, Rinaldo, a professional footballer, signed a contract with the Hobart United Football Club (HUFC), under which Rinaldo agreed to play for that club for five (5) years. In July 2009 he seeks to transfer to West Hobart Football Club (WHFC). The terms of Rinaldo's contract with HUFC provide that Rinaldo must not play for another Tasmanian football club for at least two (2) years after the term of his contract with HUFC expires.

Rinaldo's lawyer tries to persuade the HUFC board of directors to let Rinaldo transfer to WHFC. However the HUFC board refuses to consent to Rinaldo transferring to WHFC unless WHFC pays HUFC a transfer fee of \$500,000, a fee that the HUFC Board knows the WHFC will not pay.

Required:

Advise Rinaldo and his lawyer on the basis of the law of restraint of trade as to the validity of the transfer restriction in his contract with HUFC and the level of fee the HUFC board demands. Illustrate your answer with relevant cases.

Tutorial 7 (Week 9, week commencing 18 September 2006)

Individual Presentation - Assignment Question

- (a) Explain ten (10) propositions governing the operation of an exclusion clause (also called an exemption clause) in a contract. Illustrate each proposition with relevant case law or relevant provisions of the *Trade Practices Act 1974* (Cth).
- (b) Charles and his family live in Launceston. Every Sunday, Charles and his family take a ferry cruise on the Tamar River in Launceston. Each time Charles arrives at the ferry he is given a ticket on paying his fare. On the reverse side of the ticket is written:

"All passengers use this ferry at their own risk."

Charles never reads these words on the ticket. On previous cruises, Charles has read a notice inside the ferry that has identical wording to the ticket.

One Sunday, due to negligent navigation by its captain, the ferry collides with an underwater obstruction marked by a warning buoy. The ferry sinks slowly. Charles and all the other passengers are rescued. However, Charles' watch, worth \$2000, is damaged by water and cannot be repaired. A company owns and operates the ferry and employs the captain.

Required:

Can Charles succeed in legal action against the company for the damage to his watch? Illustrate your answer with relevant case law and statutory provisions.

Tutorial 8 (Week 10, the week commencing 25 September 2006)

Individual Presentation - Assignment Question

- (a) Detail the law relating to negligent misstatement and trace its development since *Hedley Byrne v. Heller* [1964] AC 465 with reference to decided cases. In your answer include consideration of the legal principles that will apply to a claim for economic loss arising as a result of a negligent misstatement.
- (b) Susan has always dreamed of owning her own hairdressing business, “Susan’s Salon”. She sees an opportunity to purchase, “Harold’s Hairdressing” business from its owner, Harold, for a price to be negotiated. Susan retains her accountant, Jeff, to advise her with regard to the purchase. Susan introduces Jeff to Harold. Susan asks Harold to give Jeff any information Jeff requests.

Harold gives Jeff access to all the Harold’s financial statements and accounting records. Harold tells Jeff that he has slipped behind with his account keeping and that the financial statements and accounting records may not be complete or accurate. Harold says that he has not employed an accountant and that he has not had the financial statements and accounting records audited. Harold tells Jeff that he would be happy to provide any further information Jeff may require.

Jeff examines the financial statements and accounting records given to him by Harold but does not speak further with Harold. Jeff prepares a report for Susan in which he recommends that purchase of the salon for \$100,000 would be a profitable investment. At the end of his report, Jeff inserts this disclaimer:

‘This report is based upon information supplied by the owner of the business. This report is for your use and no responsibility is accepted to any third party for the whole or part of the report’.

Susan has \$60,000 savings. Relying on Jeff’s report, she agrees to buy Harold’s business for \$100,000, subject to Susan obtaining a loan of \$40,000.

Susan gives TazBank a complete copy of Jeff’s report. The Bank relies on Jeff’s report to loan Susan \$40,000 to purchase the business. Susan completes the purchase of the salon from Harold for \$100,000. Harold uses the \$100,000 to buy a hot air balloon. He starts a balloon flight across the Pacific Ocean but is hit by a storm. Harold and his balloon are lost at sea.

Subsequently, Susan finds that the salon has been significantly overpriced, as the salon’s takings are insufficient to cover its operating expenses. The salon fails and must be closed down, leaving Susan with nothing of value. Susan loses her \$60,000 savings and cannot repay the \$40,000 loan to TazBank.

Susan takes Jeff's report to an expert accountant who examines Jeff's report. The expert accountant tells Susan that Jeff's report contains errors and Jeff's recommendation that she purchase the salon for \$100,000 was not justified.

TazBank cannot recover any money from Susan. Both Susan and the Bank wish to take legal action against Jeff. Jeff denies any liability.

Required:

- i To what extent can Susan recover compensation from Jeff?
 - ii To what extent can TazBank recover compensation from Jeff?
- Illustrate your answers with relevant case law. Do NOT refer to legislation.

Tutorial 9 (Week 11, the week commencing 2 October 2006)

Individual Presentation - Assignment Question

- (a) Explain what is meant by the terms "fitness for purpose" and "merchantable quality" as those terms are used in the *Trade Practices Act 1974* (Cth) and the *Sale of Goods Act 1896* (Tas). Are there any important differences between these two Acts in respect of the application of these terms to consumer contracts? Discuss.
- (b) Ken purchases a 1986 Ford Cortina from Arnold's Autos Pty Ltd. The vehicle's odometer reads 100,000 kilometres. Ken is given a document headed "*Used Car Warranty*" which states:
 1. *Subject to the exclusions below which affect the normal operation of the vehicle, should any mechanical defect in the vehicle develop during a period of 90 days commencing on 31 June 2006 or up to the time the vehicle has been driven 3000 kilometres, whichever occurs first, Arnold's Autos will supply parts necessary to rectify the defect free of charge.*
 2. *Batteries, generators and other electrical equipment are included as parts but only for the first 14 days of this warranty.*
 3. *Tyres and tubes are not included in this warranty.*
 4. *This warranty is in lieu of all other warranties express or implied and all other obligations or liabilities on our part, and Arnold's Autos neither assumes, nor authorises any other person to assume, any liability in connection with this vehicle except the obligation created by this warranty.*
 5. *This warranty shall not apply if the vehicle is repaired or altered without the permission of Arnold's Autos or if the vehicle has been subjected to abuse, negligence or accident or has been driven in any reliability or speed trial or test.*

Underneath there was a space for signature by the purchaser. Ken signs in this space and the document is then dated 31 June 2006.

After a month the rear axle breaks and is repaired by Arnold's Autos under the warranty. On 21 May 2006, after the vehicle has travelled 4,000 kilometres since its purchase, the engine seizes up and Arnold's Autos offers to repair it but at a cost of \$1,500 to Ken.

Ken claims that the warranty is not binding and he should receive back his original payment for the car.

Required:

Advise Ken and Arnold's Autos.

Tutorial 10 (Week 12, the week commencing 9 October 2006)

Individual Presentation - Assignment Question

- (a) i Outline the six (6) main duties an agent owes to their principal. Illustrate your answer with relevant case law. Do NOT refer to legislation.
- ii Consider the seven (7) main situations where an agent, whilst purporting to act for the principal, may be personally liable to a third party.
- (b) Joe Jones is an agent on Bruny Island (a small island off Tasmania, that is part of Tasmania) for Tassie Farming and Fencing Supplies Pty Ltd. He is paid commission of 10% on all the farming and fencing equipment he sells. Lucas Lancaster, who owns a large farming property, contacts him. Many of his fences were knocked down by a large windstorm that occurred the day before. He is most concerned as many of his cows and sheep are now not secured on his property. He tells Joe that he needs new fences erected as a matter of urgency and that he will pay a premium if the fences can be erected within the next 2 – 3 weeks. Joe contacts the two fencing sub-contractors that live on the island and they confirm that they would be able to commence work on Lucas' farm within the next couple of days and that their fee will be \$3000 each.

A price of \$56,000 is agreed upon and Tom prepares a contract, which is signed on 10 October 2006. Included in the contract is a clause which states:

“Should this contract be completed on or before the 30th October 2006 Lucas Lancaster shall pay a further sum of \$4000 to Joe Jones.”

Joe orders the fencing material from Tassie Farming and Fencing Supplies Pty Ltd and indicates to them that the material needs to arrive on Bruny Island on the next available cargo ship. The company obliges by paying a premium of an extra \$1000 to the shipping company to deliver the goods as quickly as possible.

The fencing work is completed on 30 October. Lucas Lancaster pays \$60,000 to Joe. Joe places these funds into his own working account. When the funds have cleared he provides \$3000 to each of the fencing contractors and \$45,000 to his principal, Tassie Farming and Fencing Supplies Pty Ltd. A few days later Joe rings the Hobart office of the company to thank them for the work. He discloses the amount he paid Joe and the additional clause in the contract.

Required:

Advise Tassie Farming and Fencing Supplies Pty Ltd as to:

- i whether Joe has breached any of the duties he owes it?;
- ii whether it would be able to take any action against him and if so what action would be available?

Illustrate your answers by reference to relevant legal principles and cases. Do NOT refer to legislation.