

Answer all 4 questions.

1. Margaret owned an antique store that specialised in rare porcelain dolls. When she opened the business in 1989, it was at a shop in an eastern suburb of Melbourne. In 1999 she started to advertise on the Internet and by 2006 the business had grown to the point where she needed help to keep the business going. After a family discussion one night at the kitchen table in July 2006, it was agreed that Margaret would probably keep the business going for another couple of years and then retire. Emily, her youngest daughter and aged 16, would work in the shop as long as was needed and in return, she would receive any unsold dolls. When Margaret retired at the end of 2009, she decided that she would give the unsold stock to charity and they could auction it and keep the proceeds. Advise Emily.
2. Richard, an impoverished university student, and his millionaire father enter into an arrangement where Richard agrees that he will keep the front- and backyards of the family property mowed, and he will 'do a bit' to keep the gardens looking tidy. In return, his father agrees to pay him a weekly allowance of \$200. His father had previously used a garden contractor to do the job and paid him \$350. They live on a one-hectare property, and the mowing alone takes half a day a week. After four weeks, Richard's father tells him that he can't afford to pay \$200 a week. He says that Richard should be doing the work for nothing, as it is the responsibility of the whole family to look after the property; besides, he says, Richard is getting free board and lodging. Advise Richard.
3. Jenny received a circular from Beauty and the Beast Hair Salon advertising massages and manicures for \$10. Realising that this was an exceptionally good deal, but not surprised because she knew that they had only just opened and were running a number of good opening specials, she rang and made a booking. When Jenny arrived at the salon she was told that there had been a mistake on the circular and it should have said \$100. The manager of the salon explained that this was still a good price because normally a massage and manicure would have cost \$150. Jenny was furious, as it had taken her 30 minutes to get to the shop by car and if she had known it would cost \$100, she would never have made the booking. Advise Jenny. Would your advice have been any different if Jenny had the massage and manicure before being told that the cost was \$100? Would she have to pay the full price?
4. Bruce, while he was so drunk that he didn't know what he was doing, bid successfully at an auction for the purchase of a house. It was clear to the auctioneer that Bruce didn't know what he was doing. However, after Bruce sobered up he confirmed the contract with the auctioneer. He then subsequently refused to complete the contract. Is Bruce bound?