HI6027: BUSINESS AND CORPORATIONS LAW

Trimester 2 2016

HOLMES INSTITUTE

Cum Propris Suis Alis Volat

Individual Assignment

Instructions:

Answer ALL questions.
Each question is worth 10 marks.
Total marks for this assignment is 20 marks.
Total weight for this assignment is 20%
Word limit is 2000 words.

QUESTION 1 – 10 MARKS

Consider the following situations and indicate whether consideration is present and whether Jack has an enforceable agreement:

a) **Jane is going overseas and she offers to give her Lotus Super 7 sports car to Jack. The market value for this type of vehicle in good condition is around $25 000. Jack accepts. (2.5 MARKS)**

b) **Jane offers to sell Jack her Lotus Super 7 sports car for $25 000. The market value for this type of vehicle in good condition is around $25 000. Jack accepts. (2.5 MARKS)**

c) **Jane offers to sell Jack her Lotus Super 7 sports car for $2500. The market value for this type of vehicle in good condition is around $25 000. Jack accepts. (5 MARKS)**

QUESTION 2 – 10 MARKS

A shipbuilder had contracted to build a tanker for North Ocean Tankers. The contract was in US dollars and didn't contain any provisions for currency fluctuations. Approximately halfway through construction of the ship, the United States devalued its currency by 10 per cent. As the shipbuilder stood to make a loss on the contract, it demanded that an extra US$3 million be paid or it would stop work. The buyer reluctantly agreed under protest to pay, as he already had a charter for the tanker and it was essential that it be delivered on time. The buyer didn't commence action to recover the excess payment until some nine months after delivery. Will the buyer succeed in recovering the excess?

END OF ASSIGNMENT