

Chartered Banker

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BUSINESS LAW

Assignment 1

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Important Assignment Information

ASSIGNMENT LENGTH

For assignments submitted on or after **1st September 2008**, there is a **maximum** word count of **2,500 words**.

From that date, if you fail to adhere to the maximum word count, a deduction will be made to your final assignment mark. Specifically, if you exceed the 2,500 limit, you will be deducted **1%** for every **100** words or **part** of **100** words over the limit.

For example, if you write a total of **2,614** words, a **2%** deduction will be made to your mark. For clarification, the word count includes all references and attached appendices.

PASS COMPENSATION AWARD

In recognition of the importance attached to the assignments, an award of **Pass Compensation** will be made to you if you score between 45% and 54% in the final exam and if you complete the required assignment(s) under the following conditions:

1. The assignment mark must be 60% or above – where two assignments are required, then the average mark must be 60% or above **and**
2. Assignments must be in the hands of the Tutor **at least** one month prior to the **chosen examination date for each subject**.

For example, if you enrol to sit a **full** credit subject examination on **15th December**, you must have sent **both** assignments to your tutor by **15th November**.

Similarly, if you enrol to sit a **half** credit subject examination on **2nd March**, you must have sent the **sole** assignment to the tutor by **2nd February**.

Please also note the following:

- (a) Where an assignment is marked at less than 60%, this may show up as **'Fail'** in the web-based student record – this is purely with reference to the Pass Compensation award and does not necessarily mean it is a sub-standard submission
- (b) You are **not** permitted to **re-submit** an assignment in order to gain a higher mark
- (c) In the event that you fail an exam and have not completed the required assignment(s), you can subsequently complete the required assignment(s) – these will then count towards any re-sit examination undertaken. Submission dates for these assignments must comply with the relevant timescales as stated in **2** above.

Question 1

- (a) Outline what an agent is and explain the circumstances in which a banker may act as an agent.

(10 marks)

- (b) The duties of an agent may be neatly classified into duties that the agent must carry out, and those duties that the agent must not carry out.

List and explain what these duties are, with reference to relevant cases.

(15 marks)

(TOTAL MARKS – 25)

Question 2

- (a) Sherlock and John have operated as a partnership for several years.

Sherlock is about to retire and receive £100,000 for his share, while John will take over all the assets and liabilities and carry on the business in the old firm's name. Six months later, John decides to take Mycroft as a new partner.

Advise Sherlock and Mycroft as to their legal position under the law relating to partnership with regard to the existing firm.

(13 marks)

- (b) Ardbeg, Bruichladdich, Cragganmore, Deanson and Glengoyne are partners in a public house.

Explain the effect of the following separate events on the continued existence of the partnership:

- (i) It is discovered that Ardbeg is operating a separate business
- (ii) Bruichladdich is declared bankrupt
- (iii) Cragganmore and Deanson admit to have been committing adultery
- (iv) Glengoyne is in poor health and has been absent ill with increasing frequency over the past three years.

(12 marks)

(TOTAL MARKS – 25)

Question 3

- (a) You are in discussion with a colleague who tells you that they have agreed to purchase a second hand Nissan Micra car from a neighbour for £1,500.

However, they go on to state that the contract “cannot be enforced as it is not in writing”.

You decide to correct their misunderstanding, by explaining to them what a contract is, and what the essential features of a valid and binding contract are.

Explain how you will go about this task.

(17 marks)

- (b) In certain circumstances, a contract may be rendered, void, voidable or unenforceable.

List the circumstances which may cause these situations to come about, before explaining what is meant by the terms ‘void’, ‘voidable’ and ‘unenforceable’.

(8 marks)

(TOTAL MARKS – 25)

TOTAL ASSIGNMENT MARKS – 75