



Foundation Certificate in Marketing - Stage 2

REGULATORY ENVIRONMENT FOR MARKETING

THURSDAY, AUGUST 16, 2007. TIME: 9.30 am - 12.30 pm

Please attempt **FIVE** questions.

(If more than the specified number of questions are attempted, delete those you do not wish to have marked. Otherwise the Examiner will mark the **FIRST** five questions in your Answer Book).

All questions carry equal marks.

Do **NOT** repeat question in answer, but show clearly the number of the question attempted on the appropriate page of the Answer Book.

1. You are employed by a company based in China, which is considering appointing a number of agents in Ireland. Explain the following principles of Irish agency law:
 - (a) The definition of an agent (4 marks)
 - (b) Express and apparent authority (4 marks)
 - (c) The duties of an agent (8 marks)
 - (d) The termination of an agency (4 marks)
2. On Monday morning Adam sent a letter to Sean offering to buy 500 tonnes of wood pellets at current market prices. Sean received the letter on Wednesday and he immediately posted a letter accepting Adam's offer. Later on Wednesday Carl contacted Sean offering to buy 500 tonnes at a higher price. Sean immediately phoned Adam and told him he was "unable to supply due to distribution problems" and then revoked his acceptance. He then sold the quantity to Carl at the higher price.
(The acceptance letter was received by Adam the next day, Thursday.)

Advise Adam, giving reasons for your answer, whether or not he had a contract with Sean and any action he could take.

3. Define **each** of the following types of legislative provision of the European Union and explain how **each** type becomes part of the domestic law of this State.
 - (a) A Directive (7 marks)
 - (b) A Regulation (7 marks)
 - (c) A Decision (6 marks)

P.T.O.

4. Critically examine the importance of the tort of negligence in today's business environment.
5. You and a colleague have worked on a new product which shreds and compacts cardboard for use as garden composting. You consider this will solve storage problems and cut down recycling costs for households with gardens. You wish to call the product and process "*Groboarding*". Explain the purpose and effect of seeking intellectual property protection within Ireland for this product.
6. *ABC plc* is a company which specialises in the manufacture of garden furniture. It also imports and markets garden furniture imported from the Far East.

Consider the following situations:

- (a) *ABC plc* manufactures a form of patio heater. Unfortunately due to inadequate assembly instructions some of the heaters proved unstable when assembled and two have fallen on customers and caused injuries. The remaining heaters have been recalled by *ABC plc*.
- (b) Last year due to high demand for hammocks *ABC plc* imported hammocks from China and sold them packaged as "Quality outdoor leisure product from *ABC plc*". The fabric of the hammocks was faulty and Peter has sustained a back injury due to the fabric tearing and causing him to fall.

You are asked to explain any possible liabilities the company may face in the situations above under the Liability for Defective Products Act, 1991.

7. *S Limited* manufactures high quality tweed coats. It sells them to retail outlets and also sells them directly from its own factory shop. You are employed in the Marketing and Customer Relations division and have been asked to provide a written summary of important aspects of the Sale of Goods Acts.
 - (a) Explain the implied terms which apply when *S Limited* sells its products. (8 marks)
 - (b) Explain the remedies which a buyer has in the event of a breach of these terms. (6 marks)
 - (c) Consider whether, and if so, to what extent *S Limited* can exclude liability for breach of the implied terms as regards (i) consumers who buy goods from the factory shop and (ii) business retailers who order stocks from *S Limited*. (6 marks)

8. *“An efficient competition law regime is generally considered to be a necessity...to maximise consumer welfare.*
(Hutchings and Whelan, 2006).

Examine this statement with respect to the operation of the Competition Acts and illustrate the answer with reference to relevant steps taken by the Competition Authority.