

UNIVERSITY OF BOLTON

**SCHOOL OF BUSINESS AND CREATIVE
TECHNOLOGIES**

ACCOUNTANCY PATHWAY

SEMESTER 1 EXAMINATIONS 2009/2010

INTRODUCTION TO LAW FOR ACCOUNTANTS

MODULE NO: ACC1010

Date: Tuesday 19th January 2010

Time: 10:00 – 12:00

INSTRUCTIONS TO CANDIDATES:

There is **ONE** question on this paper.

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Question

Emma is a car salesman at Bolton Motors Ltd [BML], a large dealership, trading in executive sports cars. She knows the cost of the cars to the dealership, as well as the price at which they are sold to customers, before discount, which is limited to 8%. Over the years, she has cultivated many actual and potential customers, by playing tennis, joining various organisations, etc. At present, she earns £40,000 per annum, consisting of a basic salary, plus commission, which in a good year, can be half of her pay. Darren, the proprietor of Manchester Motors Ltd [MML], has met Emma at several functions and, wishing her to join his company, offers her £50,000 per annum. Both BML and MML, trade in the same type of motor vehicle.

Emma's contract contains the following clauses:

1. That she will not for six months after termination, solicit any customers of BML.
2. That she would not at any time after termination use or disclose any confidential information belonging to BML.

Advise the parties as to the validity of these clauses. Also, would it make any difference, if on hearing of Darren's approach, BML dismissed Emma with immediate effect?

END OF QUESTIONS