

UNIVERSITY OF BOLTON RAS AL KHAIMAH

BUSINESS AND CREATIVE TECHNOLOGIES

ACCOUNTANCY PATHWAY

SEMESTER 2 EXAMINATIONS 2010/2011

INTRODUCTION TO LAW FOR ACCOUNTANTS

MODULE NO: ACC1010RAK

Date: Wednesday 8th June 2011

Time: 5:00pm – 7:00pm

INSTRUCTIONS TO CANDIDATES:

There are TWO questions.

Answer BOTH questions.

All questions carry equal marks.

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1. Stefan, a famous Hungarian violinist, was contracted to give performances at three major concert halls in the south-east of England on consecutive evenings. His fee for each of the concerts was £1,000. He enjoyed driving so he decided to hire a car from Burke's Car Hire ('Burke's'). His intention was to drive himself from one concert venue to another.

Stefan was required by Burke's to complete and sign a booking form for the hire of the car. This he did. On the back of the form was printed Burke's standard terms of business. These included the following:

'7. Liability for any loss suffered as a result of any breach of contract by Burke's Car Hire shall be limited to the cost of hire or £200, whichever is the less.'

'25. In the event of the customer failing to return the vehicle by the date agreed in this contract, or subsequently agreed between the parties, then the hirer shall pay twice the cost of hire for each day that the agreed period is exceeded, together with an administration charge of £500.'

Because it had been poorly maintained, the car supplied by Burke's broke down as Stefan was attempting to drive from the venue of his first concert to that of his second. Stefan consequently failed to appear at the second venue in time for the concert. Having lost confidence in Burke's car, Stefan hired a limousine, together with driver, to take him to his third engagement. He then made arrangements for the car hired from Burke's to be returned to Burke's premises. The vehicle was delivered two days after the date stipulated on the booking form.

Advise Stefan.

PLEASE TURN THE PAGE...

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2. Oscar is a Games Master at the local comprehensive school. One Wednesday afternoon at the beginning of a new academic year, while taking the new intake of 12 year old boys for rugby, he is severely injured by some rowdy boys he has been experiencing difficulty in controlling.

One of the boys rushes up to the school office and informs the school secretary, Mrs Stern of the accident. She calls an ambulance to take Oscar to hospital and then rushes down to the rugby pitch to see what help she can give. Whilst waiting for the ambulance, Mrs Stern comforts and reassures Oscar and tries to keep him warm.

When Oscar arrives at the hospital, the casualty doctor, Dr Know, who has been on duty for some 17 hours, and in any event has only been scheduled to take casualty duties because of a lack of suitably qualified staff, admits Oscar to the ward without prior examination. The next morning the consultant sees Oscar and immediately orders an X-Ray, the results of which show that Oscar has suffered a severe fracture of the leg and also head injuries. It transpires that Oscar would be left with a permanent disability as a result of the failure to immediately treat the broken leg, and that he would probably lose the sight of one eye. However, had the fracture been set immediately, there was a good chance that he would have completely recovered from that injury.

The secretary, Mrs Stern, is devastated by her experiences and is herself admitted to hospital suffering from depression.

Oscar's mother is immediately told of the accident and rushes to the hospital, together with Oscar's fiancée who was with her at the time she was informed of the accident. They are both extremely shocked at the sight of Oscar and are taken care of by the ward nurse.

Oscar is later informed by the school that he no longer has a job because with his permanent injury, he is unable to carry out his duties. He is extremely distressed and claims that the school should have insured him against such an event or advised him to take out insurance himself. In any event, he says that the school knew that these boys were rowdy and should have informed him and provided him with additional assistance to control them.

Oscar seeks your legal advice as to actions he might pursue against both his employers and the hospital to which he had been taken.

END OF QUESTIONS