



Foundation Certificate in Marketing - Stage 2

REGULATORY ENVIRONMENT FOR MARKETING

WEDNESDAY, MAY 12, 2010. 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 the question in your answer, but show clearly the number of the question attempted on the appropriate page of the Answer Book.

You should refer to legal authority (case law, statutes, regulations and/or European Union law etc.) where relevant to support your answers.

1. You have been asked to summarise the basis of the regulatory framework in Ireland for a Chinese company which is considering setting up an outlet in Ireland. Explain, giving relevant examples, the following sources of law in Ireland.
 - (a) Legislation
 - (b) Case law and precedent
 - (c) Constitutional law
 - (d) European Union law(20 marks)

2. Alice entered into a contract for one year's gym membership with Osofit Ltd. in January 2010 for €2,000. She paid in full at the start of the year as otherwise the cost of membership would be €2,500 per annum. The gym membership included training, use and monitoring of progress on a range of high-tech gym equipment and the use of the swimming pool.

Alice has been very dissatisfied with the services provided since February. The gym has often been closed due to "staff training" and three of the gym machines have broken and not been replaced. The swimming pool has now been closed for a month due to "operational problems". When she decides to cancel her membership the manager tells her this is impossible due to a clause at the bottom of her contract in very small print stating: "This contract is for one year. Osofit reserves the right to alter, withdraw or close any of the available facilities without reason and without giving any refund".

P.T.O.

- (a) Explain to Alice any rights she may have under the contract, including the terms implied into service contracts. (7 marks)
- (b) Explain how the law protects consumers from unfair contract terms. (8 marks)
- (c) Explain the Small Claims Court procedure to Alice. (5 marks)
3. Three weeks ago Barry bought an expensive rug from RugsRusOnline Ltd. for €1,500. The contract was made by e-mail, after Barry saw a catalogue of discounted rugs on the internet. RugsRusOnline Ltd. is an importing company which is based in Dublin. Last week he noticed that the end of the carpet was unravelling. He telephoned and e-mailed the company asking that they collect the large, defective rug and give him his money back. Barry was not satisfied with their response of, “unfortunately as Persian-type carpets can have flaws these weaknesses can be expected and no refunds can be given by the seller”. Barry looks at a copy of the delivery note he signed at the time which reads “Goods safely received. I acknowledge the product is in good condition and understand that no refund or exchange is permitted”.
- (a) Write a summary of the law contained in the Sale of Goods Acts which may be relevant to Barry’s situation. (15 marks)
- (b) Explain the effect of making a contract on-line, and any impact this may have on a consumer’s rights concerning defective goods. (5 marks)
4. Penny wants to open a shop with a former work colleague, altering and remodelling quality clothing. She plans to call the business *Second Life*.
- (a) Explain the principal legal issues relating to the formation and running of business partnerships and any advantages or disadvantages of this type of business organisation. (12 marks)
- (b) Give an outline of the advantages and disadvantages of starting a business as a limited liability company. (8 marks)
5. Explain how the Competition Acts 2002 and 2006 aim to promote competition in Ireland and to benefit consumers. Give examples of the operation of the Acts. (20 marks)

6. In the area of agency law explain:
- (a) Why agents are an essential feature of business operations. (4 marks)
 - (b) The duties of an agent. (6 marks)
 - (c) The obligations of the principal. (4 marks)
 - (d) The ways in which agency situations can be terminated. (6 marks)
7. Explain why the Consumer Protection Act 2007 could be considered as the most significant new piece of consumer protection legislation in Ireland in thirty years. (20 marks)
8. With reference to the intellectual property protection given by patents, trademarks and copyright:
- (a) Define and briefly explain the form of intellectual property of each type. (8 marks)
AND
 - (b) Explain the requirements that must be met to achieve statutory protection available for that particular form of intellectual property. (12 marks)