**Eliot’s ECE 290 Fall 2013 Final Answers (With Explanations)**

1.1 Which of the following are examples of a fraudulent, contractual misrepresentation?

(a) A party is coerced into signing a contact by means of intimidation.

(b) A party knowingly makes false statements to induce another party into a contract.

(c) A party induces his son-in-law to sign an unfair contract.

(d) A party unknowingly provides false information about a portion of a contract.

*Comments: Contractual misrepresentation is when someone signs onto a contract based on false information. This could be innocent representation, where the person who got you to sign on truly believes the statements to be true or deceitful misrepresentation, where they know the statements are not true.*

1.2 Which type of original work(s) are automatically protected by copyright upon

creation?

(a) Paintings

(b) Inventions

(c) Clothing designs

(d) Signatures

*Comments: Copyrights for creative works do not have to be asserted or declared – they are granted automatically. Inventions and clothing designs (if they utilize some unique technology) fall under the patent category, while signatures aren’t intellectual property.*

1.3 The professional’s standard of care and skill establishes the point at which a

professional:

(a) May or may not charge a fee for services.

(b) Has the duty to apply reasonable care.

(c) May be judged negligent in the performance of services.

(d) Has met the minimum requirements for registration.

*Comments: This question is worded a little strangely. Essentially, it states what we can use “standards of care” as, when judging a certain problem that comes up. We can use an engineer’s “standards of care” as a basis for whether he/she has been negligent in the performance of their services – i.e. HAS the engineer performed with a certain level of reasonable care. Using standards of care as a basis for a) and d) don’t make sense in the context, and where b) doesn’t even construct a readable English sentence.*

1.4 You may use the title “Professional Engineer” or “Professional Geoscientist” without

being registered with the Association?

(a) True

(b) False

(c) False unless you work under the direction of a licensed engineer or geoscientist

(d) False unless you are a university graduate in the discipline and are working under the

direct supervision of a “registered” (licensed) professional

*Comments: The “Professional Engineer” and “Professional Geoscientist” are protected under the Professional Engineers Act and the Professional Geoscientists Act respectively. Individuals who are not registered and/or certified as such may not use the title.*

1.5 A person convicted of a criminal offence under a government law or act other than

the Professional Engineering/Geoscience Act may be suspended from membership in the

Association?

(a) True

(b) False

(c) True unless if there is a provision requiring the criminal offence to affect the

member’s suitability to practice

(d) True unless the offence only involves theft Name: ID#:

*Comments: Written law. See here:* [*http://www.andrews4e.nelson.com/student/appendix\_e5.html*](http://www.andrews4e.nelson.com/student/appendix_e5.html)*. It may be good to review the T/F and other questions on this page.*

**2.1 What is the principle of contra proferentum? Explain using an example.**

*The principle of contra proferentum (literally “against the offerror”) is where, if a dispute on a specific clause (due to ambiguity) is fought on in court, the court will rule in favour of the party that did NOT draft that clause. This ruling/principle is used in attempts to ensure that contracts are written as fairly and non-biased as possible.*

*One example of this is in disputing what’s known as “contracts of adhesion”, where one party has much more bargaining power than the other (for instance, an insurance company offering an individual only one plan). The courts will generally give benefit of the doubt to the individual, perhaps even going so far as interpreting the actual terms of the contract in their favour as well.*

**2.2 What is the normalization of deviance theory? Explain using an example.**

*The theory of normalization of deviance is where a group of people in an organization or setting become so accustomed to what would normally appear as deviant or strange behaviour, they think it is regular. Generally, in hindsight, the individuals are able to recognize that their seemingly normal behaviour was in fact, not.*

*For instance, if one works at a machine shop that doesn’t take necessary safety precautions, it becomes regular to see someone operating a lathe without their hair tied back, or grinders without safety goggles. Perhaps once an accident occurs, the employees may realize that their lack of precaution was actually deviant behaviour.*

**2.3 What is an injunction? Explain using an example.**

*An injunction is a remedy that a court of law can order that prevents or forces a specific party from doing/to do certain things. It is generally not awarded unless monetary damages cannot remedy the breach of contract, or wrong in question. Injunctions can be prohibitive (prevents certain actions) or mandatory (forces certain actions), where the mandatory injunctions function similarly to specific performance remedies.*

*For example, if an employee leaks a trade secret, an injunction may be granted against the one who received the leak, stating that they cannot use the aforementioned trade secret.*

**2.4 What is bid shopping? Explain using an example. Is it legal? Is it ethical?**

*The Canadian courts have ruled on two cases that define bid shopping differently.*

*Naylor vs. Ellis Don (2002) states bid shopping is “the practice of soliciting a bid from a contractor, with whom one has no intention of dealing, and then disclosing or using that information in an attempt to drive prices down amongst contractors with whom one does intend to deal”.*

*Western Plumbing vs. Industrial Boiler Tech (2000) states bid shopping is “any post-closing price manipulations that could negatively impact the integrity of the bidding system, including going back to a supplier and asking for a price revision”, after the close of bidding.*

*Either way, it’s fairly clear that bid shopping simply uses the tendering process a step in negotiations, as opposed to it being the negotiations itself (which it should be). An example can be illustrated as such:*

1. *Tendering process begins.*
2. *Contractors submit bids for the possibility of work, including estimates of the cost.*
3. *Owner of contract discloses the lowest bid to all other contractors in hopes someone will undercut the current lowest bid.*

*Bid shopping is illegal in the same way breaches of contract are illegal - courts will award necessary damages when such cases come about, under contract law. There are no repercussions under criminal law. Some owners may include clauses such as “Lowest or any bid may not necessarily be accepted” in their tendering documents to attempt to protect themselves from legal repercussions. The matter of ethicality is, of course, debatable, but it is generally agreed upon that it is unethical.*

**2.5 What is Contract A in tendering? Explain using an example.**

*Contract A is the first part of the tendering process, used to protect contractors who submit bids. Specifically, any valid bid submitted to a request for work is a form of Contract A. Essentially; Contract A is a provision that forces the owner of a contract to treat all bidders equally, fairly, and without bias. Owners of contracts are contractually obliged (via Contract A) to choose the lowest valid bid, and any other actions (closed-door negotiations, bid shopping, etc.) are in breach of Contract A.*

*Example:*

1. *Company A releases tender documents stating that they want a building constructed in 8 months, and details a specific set of criterion that the building must comply with.*
2. *Contractor B submits a bid stating that they can construct a building that meets the specified criteria in 7 months’ time, at a cost of $3.5 million.*
3. *The bid that Contractor submits is a Contract A, as it is valid.*
4. *Contractor C submits a bid stating that they can construct the building in 12 months’ time, at a cost of $1.5 million.*
5. *This bid is not valid, as it does not meet the requirements detailed in the tender documents, and as such, is not a valid Contract A, and Company A does not have to consider it.*

**2.6 What is a non-compete clause? When does it work and when does it not? Explain**

**using an example.**

*A non-compete clause is a provision that states that an employee or party cannot enter into a similar profession/trade that is in competition against another party (usually, an employer), within a certain time and/or geographical range.*

*They are generally upheld in courts of law, given that the time frame, business scope, and geographic scope is what is reasonably required to protect the employer’s proprietary rights.*

*“[The employee] may not undergo any software development work for the next 10 years, within the borders of Canada” is likely not an enforceable non-compete clause, as the time frame, business scope, and geographic scope are all unreasonable.*

*“[The employee] may not undergo any software development in relation to the modelling of viruses in the next 6 months, within a 30 kilometer radius of [Company’s Address]” is much more likely to be enforceable, as all three scopes are reasonable.*

**2.7 What is a secret commission? Explain using an example. Is it legal? Is it ethical?**

*A secret commission is, in essence, a bribe. It is any undisclosed gift or monetary exchange that is made in an attempt to influence the actions of the recipient. It is illegal, under the Criminal Code of Canada (see:* [*http://yourlaws.ca/criminal-code-canada/426-secret-commissions*](http://yourlaws.ca/criminal-code-canada/426-secret-commissions)*), and obviously, is not considered ethical as well.*

**2.8 What is a gratuitous promise? Explain using an example.**

*A gratuitous promise is an obligation or promise from one party to another, that only benefits one party (i.e. the giving party receives no consideration). Because no consideration is returned to the giving party, they are generally unenforceable, and the giving party does not need to make good on their promise. They are generally informal agreements.*

*However, it is enforceable in the cases where contracts were entered based on the assumption that the gratuitous promise would be fulfilled.*

*Example: You go to buy a car, and the car salesman says he’ll throw in a free oil change for you the next time you come in. It is a gratuitous promise because the salesman receives no consideration in return.*

**2.9 What is price fixing? Explain using an example. Is it legal? Is it ethical?**

*Price fixing is an agreement between participants to buy or sell a product/service/etc. at a fixed price, or to manipulate market conditions in such a way that a certain price is maintained. Price fixing is illegal under the Competition Act, as the government deems price fixing to have zero socially redeeming features (see:* [*http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/h\_00112.html*](http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/h_00112.html)*). As such, it is generally considered unethical.*

*Example: Company A and Company B own 90% of the market share in transistors. They make an agreement to cut their supply such that their transistors sell at $3 a unit or higher.*

**2.10 What is a perceived conflict of interest? How is it different from a direct conflict of**

**interest? Give examples for both. Which, if any, can have legal consequences for**

**professional engineers?**

*A direct conflict of interest is where a financial/personal/professional/etc. considerations compromise an individual’s ability to make objective decisions, and/or perform their duties to their company.*

*Example: An individual works for Company A, which requires some excavation duties to be done. The individual also owns an excavation company, and submits a bid to Company A. If the individual were to assist in choosing which bid is taken, that would be a direct conflict of interest.*

*A perceived conflict of interest is when an individual’s family or close personal relation has financial/personal/professional associations with an organization that the individual’s company deals with.*

*Example: An individual works for Company A, which requires some excavation duties to be done. The individual’s cousin owns an excavation company, and submits a bid to Company A. If the individual were to assist in choosing which bid is taken, that would be a perceived conflict of interest.*

*The PEO’s Code of Ethics states that should “avoid or disclose a conflict of interest that might influence the [engineer’s] actions or judgment”. Failing to do so is not necessary illegal, but you may be revoked your PEO membership.*

**2.11 Why might the US government prefer a first-to-file vs. a first-to-invent strategy with**

**regards to patent filing? Explain using an example.**

*Currently (as of March 16, 2013), the American Government uses the “first-inventor-to-file” system, which allows some grace time for inventors to file patents.*

*However, the “first-to-file” strategy has been used predominantly due to the fact that “first-to-invent” claims are generally difficult to substantiate. Attempting to determine who truly deserves to be granted the patent can be a large hassle to resolve, as evidence for “first to invent” must be beyond reasonable doubt.*

*For example: Person A invents a new type of bicycle in 1999. Due to financial reasons, he does not extensively document nor work on this bicycle for a number of years. Person B comes up with the same concept in 2003, and files the patent in 2004. Person A attempts to file a patent in 2005, and is rejected because of the “first-to-file” principle, regardless of when he claims to (truthfully or untruthfully) have come up with the concept.*

**2.12 What is the difference between specialized knowledge protected by a trade secret**

**versus a patent? What are the challenges with either strategy? Explain using an example.**

*A trade secret is generally an invention or process that does not meet the standards required for patentability. It is most useful for things that cannot be reverse-engineered, but has comparatively limited legal backing compared to a patent, or for inventions that have no use once disclosed to the public.*

*Example: Coca-Cola’s recipe is a trade secret, as it cannot truly be reverse-engineered. If the recipe was patented, Coca-Cola may not have been able to hold its huge market share when the patent expired.*

*An invention or process can be patented if it is novel (a new idea), non-obvious, and useful in some way or other. Patents in Canada last for 20 years after the application has been filed. Patents grant exclusive rights to those who hold the patents to profit from, manufacture, or use the invention. Patents require periodic payments to uphold, and as such, generally discourage those who do not intend to use their inventions from holding rights over them.*

*Example: Monsanto has patented the genes of specific crops that do not get killed by their herbicides. The genes are novel (undiscovered), non-obvious (likely required large amounts of research to find), and useful (simple for farmers to destroy all life aside from Monsanto crops with herbicides/pesticides).*

**2.13 What are the differences between a utility and design patent? Explain using**

**examples.**

*A utility patent is issued for the invention of a process, machine, manufacture, or composition of matter – known as “patents for invention”.*

*Example: A new type of engine would be issued a utility patent.*

*A design patent is issued for new, original ornamental design embodied in, or applied to an article of manufacture.*

*Example: The Polo Ralph Lauren logo would be patented under a design patent.*

**2.14 What are the three conditions that must be satisfied to demonstrate negligence in a**

**court of law?**

1. *The defendant must owe duty of care to the plaintiff.*
2. *The defendant breached the aforementioned duty of care.*
3. *The breach of duty caused injury or harm to the plaintiff.*

*Alternatively, I have found these four conditions through personal research:*

1. *It must be clear that there was a duty to act.*
2. *It must be proven that there was a failure to act.*
3. *It must be proven that this failure was the cause of some harm.*
4. *It must be proven that harm was actually caused.*

**2.15 What is concurrent liability? Give an example.**

*A shorter form for “Concurrent liability in tort of negligence and breach contract”, which is where an individual breaches both his/her reasonable standards of care, and the contract they were awarded.*

*Example:*

*B.G. Checo International Ltd vs. British Columbia Hydro and Power Authority – the case involved the installation of transmission lines. It was expressed in the contract that the right of way had been cleared, but a fair amount of debris still existed. B.C. Hydro knew that the contractor who was responsible for clearing debris did not complete their jobs properly, but they did not tell that to the installation company. As such, B.C. Hydro was found concurrently liable in tort and contract.*

**2.16 In a tort lawsuit, if an engineer is found to be not negligent by the courts, can the**

**PEO charge the engineer with negligence? Why or why not? Give an example.**

**2.17 When can minors be charged with a negligence lawsuit? Give an example.**

*Slides state that someone between 0 – 7 or 14 are incapable of negligence. However, this is not the case when minors are engaged in “adult” activities such as driving or operating heavy machinery.*

*Personal research: Conclusions vary greatly. Generally, children can be charged with negligence, though opinions on what constitutes “reasonable” minors differ immensely.*

*A 4 year old is charged with negligence for knocking down elderly lady on a bicycle with training wheels:* [*http://www.nytimes.com/2010/10/29/nyregion/29young.html?\_r=2&adxnnl=1&adxnnlx=1397678692-HyYSLfeNHi9i44EVtpPI1Q*](http://www.nytimes.com/2010/10/29/nyregion/29young.html?_r=2&adxnnl=1&adxnnlx=1397678692-HyYSLfeNHi9i44EVtpPI1Q)

*A 12-year old is charged with negligence for riding bicycle on wrong side of highway:* [*https://litigation-essentials.lexisnexis.com/webcd/app?action=DocumentDisplay&crawlid=1&doctype=cite&docid=39+Tenn.+L.+Rev.+747&srctype=smi&srcid=3B15&key=efd60b5957285e760c40b7a151dcc44b*](https://litigation-essentials.lexisnexis.com/webcd/app?action=DocumentDisplay&crawlid=1&doctype=cite&docid=39+Tenn.+L.+Rev.+747&srctype=smi&srcid=3B15&key=efd60b5957285e760c40b7a151dcc44b)

*A 4-year old cannot be sued because he was not capable of contributing to negligence:* [*http://www.canlii.org/en/ns/nssc/doc/2009/2009nssc378/2009nssc378.html*](http://www.canlii.org/en/ns/nssc/doc/2009/2009nssc378/2009nssc378.html)

**2.18 List four fundamental freedoms guaranteed by the charter.**

1. *Freedom of conscience and religion.*
2. *Freedom of thought, belief, opinion, and expression (including freedom of press and other media).*
3. *Freedom of peaceful assembly (protests).*
4. *Freedom of association.*

**2.19 In the case of Vriend vs. Alberta, what was the outcome? Why was this outcome**

**significant for Canadians?**

*Vriend vs. Alberta: the case involved the dismissal of Delwin Vriend from his position as a lab coordinator at a religious school due to his sexual orientation. Since the Alberta Individual Rights Protection Act didn’t cover sexual orientation, Vriend looked to the Alberta Court of Queen’s Bench for a statement that the omission breached section 15 (Equality Rights) of the Canadian Charter of Rights and Freedoms.*

*The trial judge that handled his case ruled in his favour, stating “sexual orientation should be read into the Act”, thereby forcing Alberta to rewrite its Individual Rights Protection Act.*

*This ruling disallows provincial governments to have legislations that are contradictory to the Charter of Rights and Freedoms. As such, no government can deny or omit clauses that are present in the Charter, and overall, allows more freedom and protection for Canadians.*

**2.20 In Man’s Search for Meaning, what were the two challenges faced by inmates after**

**they achieved freedom from the concentration camps? How do these challenges link to**

**identity?**

*The first challenge was that outsiders, unaware of the inmates’ suffering, were not able to properly identify and empathize with them. This led to the inmates’ bitterness – an expression of the Orphan Child’s shadow aspects. Due to their time spent in isolation from the rest of the society, they have lost any semblance of belonging in regular society, and feel abandoned as a result. It could also be argued they display attributes of the Victim pattern, rejecting responsibility through putting blame on their captors.*

*The second challenge came from disillusionment – realization that freedom did not mean the end of their suffering. Having their identities stripped from them upon entry of the camp, the inmates did not magically regain their previous social status, family, nor their belongings, and it became a struggle to repair both the physical and social damage inflicted upon them by the camps.*

**3.1 (5 marks) ABC engineering has come up with an idea for a new microchip that**

**can be implanted in a person’s brain making their heart beat twice as fast. The idea for**

**the microchip is very recent and ABC has not yet filed for a patent. In the meantime, it**

**has engaged an engineering consultant, Smart Kid (a professional engineer), to help with**

**the integrated circuit design for this microchip. Smart Kid is involved in multiple**

**projects with other companies and while working on the microchip, observes that the**

**technology could also be safely used to increase the heart rate of dogs. These dogs, when**

**placed on a treadmill connected to a dynamo could be a viable solution to the energy**

**crisis facing the world. In a community meeting at the dog pound (where Smart Kid**

**volunteers in the evenings), Smart Kid shared his new idea of using the microchip on**

**stray dogs. This way, unwanted animals did not have to be “put to sleep”. Smart Kid**

**recalls that the Code of Ethics requires practitioners to “extend the effectiveness of the**

**profession through the interchange of engineering information and experience.”**

**Moreover, ABC engineering was not interested in stray dogs at the pound. Comment on**

**Smart Kid’s conclusions. What do you think of Smart Kid’s conduct? Explain from an**

**ethical and legal standpoint. Can Smart Kid be sued? If so, explain by whom, how and**

**for how much?**

*The first thing to note is that ABC has not yet filed for a patent. As such, the idea of the microchip is protected under trade secrets of the company – at least for now. It’s safe to assume that Smart Kid’s contract includes some form of Non-Disclosure Agreement, and as such, his public disclosure of the chip to the pound is in breach of the NDA clause. Furthermore, this is a breach of the Code of Ethics’ duty to the employer supersedes that of the duty to the profession, so even disregarding his idea of turning a living being into a power source, it is unethical behaviour.*

*Then, we come to the idea itself. Unless the idea is to run the dogs into the ground (nullifying the whole purpose of not having to euthanize them), the Law of Conservation of Energy obviously shows that the amount of work able to be done by the dogs is less than the amount of energy available from the food you feed it. This turns the idea from being simply an unethical one, to an idiotic one.*

*Smart Kid can be sued by ABC due to breach of contract.*

**3.2 (5 marks) Super Intelligent is a graduate student at the University of Smart People**

**(USM) and spends her time primarily on research with her thesis supervisor in the**

**Electrical and Computer Engineering Department and is allowed to use up to 10 hours**

**per week as a Teaching Assistant. At a recent conference, she was approached by a local**

**in-town company and offered a full-time job. When she rebuffed the offer because she**

**wanted to complete her thesis, the company offered her a part-time position (10**

**hours/week). Super Intelligent could in theory replace her Teaching Assistantships with**

**the part-time employment. Can Super Intelligent take the part-time job offer? Discuss the**

**ethical and legal dilemmas present in this situation. Can Super Intelligent be sued? If so,**

**explain by whom, how and for how much?**

*This answer is based on the assumption that Super Intelligent’s contract has some form of non-competition clause (that limits working in the same sector, for a certain period of time), and a clause that states that she must disclose all conflicts of interest, and she is a Professional Engineer.*

*If she wants to pursue the job offer, she must disclose this conflict of interest to both the company that is offering her the job, and her current employer, the university/thesis supervisor. Generally, written consent would be required to prove that both parties are aware of the conflict of interest. The conflict of interest is direct if they are in the same sector, indirect if not.*

*Super Intelligent cannot be sued unless she takes the job, as that is a breach of her contract on both counts of the non-competition clause and conflict of interest disclosure clause, as well as a breach of the PEO’s Code of Ethics, as she is neglecting her duty to her employer. It could also be argued that she is in breach of her duty to society, as there are students she is responsible for.*

**3.3 (5 marks) An information technology (IT) hardware supplier (“Monkey**

**Business”) submitted a fixed-price bid on a major computer installation project for a**

**large hospital (“We Fix U”) in response to the hospital’s request for proposals. Monkey**

**Business included with its tender, as required, a certified cheque for $200,000 payable to**

**the hospital as a tender deposit. The request for proposal (RFP) also provided that if the**

**tender was accepted, and the successful bidder did not execute the contract enclosed with**

**the RFP, the engineering firm would be entitled to retain the tender deposit for its own**

**use and to accept any other tender. Monkey Business made a clerical error in compiling**

**its tender submission, omitted an amount of $2,000,000 from its tender price of**

**$8,000,000. Monkey Business drew the clerical error to the attention of the engineering**

**firm within five minutes after the official time for submitting bids had expired. Monkey**

**Business indicated that it wished to withdraw its tender, but the hospital refused to allow**

**it to do so and awarded the supply contract to Monkey Business. Was Monkey Business**

**entitled to withdraw its bid? Was the hospital entitled to keep the tender deposit? Provide**

**reasons and analysis based on contract law, explaining the relationships and referring to**

**relevant cases in Canadian history. Indicate a most likely outcome and why.**

*Monkey Business was fully entitled to withdraw its bid, and could call upon courts for rectification of the contract (as it was due to a clerical error). As such, the hospital cannot force Monkey Business to enter a contract when the estimate quoted was obviously incorrect, unless they agree to the new terms through rectification.*

*However, Monkey Business fully intended to submit its bid for work (a Contract A), and as such, was ready to comply with the terms and conditions specified with the tendering documents – most specifically, losing their ability to recover the tender deposit.*

*This situation mirrors the Ron Engineering case, where the Supreme Court decided that since Ron Engineering’s bid submittal was not a mistake, they had to give up their tender deposit. Ron Engineering submitted a valid Contract A with an incorrect estimate, meaning that there was no mistake in RE’s attempt to be granted a Contract B. However, they denied the Contract B once the tendering process completed, and as such, were subject to the loss of their initial deposit.*

*As such, the hospital was entitled to keep their tender deposit, and Monkey Business was entitled to refuse Contract B at the loss of their deposit.*

**3.4 (5 marks) Senior Engineer manages a mid-size semiconductor manufacturing**

**plant in Bromont, Quebec. Early this summer, she noticed that the plant was creating**

**slightly more water pollution in the lake into which its waste line drains than is legally**

**permitted. If she contacts the province’s environment ministry and reveals the problem,**

**the result will be a considerable amount of unfavorable publicity for the plant. Moreover,**

**the publicity would hurt Bromont’s budding lakefront resort business and scare the**

**community. If she tells no one, it is unlikely that outsiders would discover the problem,**

**because the violation poses no danger whatsoever to people. At most, a small number of**

**fish would be affected. What should Senior Engineer do? Identify and discuss all relevant**

**stakeholders, perspectives, and options available. Recommend one option forward and**

**explain why your recommendation is superior to other options.**

*Relevant stakeholders: (Major) Senior Engineer. The environmental ministry. The Bromont economy. The manufacturing plant. (Minor) Fish.*

*Perspectives:*

*Senior Engineer could feel extreme loyalty to the company and not want to reveal the pollution levels. She could also care a lot about the local economy, and as such, not reveal the issues for that reason. Contrary to that, it’s possible that her duty as an engineer would cause her to notify her superiors first, and then the environmental industry if rectifications aren’t made.*

*The environmental industry sets legal limits on pollution for a reason, and as such, and levels exceeding the limits they set are likely to be bad, and they would like to know about all infractions of those limits. However, perhaps they would be lenient towards minor infractions like this one, as it becomes much too difficult to monitor every single company that closely.*

*For the Bromont economy, hiding the pollution information may be worthwhile to keep the resorts in business and tourists flowing. It’s likely that they don’t mind until the pollution actually poses a danger to the guests, at which point they would probably want to be notified.*

*The manufacturing plant may want to make as much product as possible for as little cost as possible, with no regard to the environment. However, they may also be wary of legal repercussions – such as tort of negligence and pollution fines.*

*Obviously, the fish would like to survive.*

*Our options are threefold – first, don’t tell anyone. Second, immediately whistle blow and notify environmental ministry. Third, notify her superiors of the situation.*

*The recommended option is to notify the superiors. That way, the problem can be attempted to solve internally first, with no legal repercussions. Senior Engineer has little fear of losing their job, and the problem doesn’t go unsolved, and the economy is unchanged. Hopefully, environmental damage is also minimized, and the environmental ministry does not need to waste time or money to penalize the plant and the plant itself can continue to operate in peace without any bad publicity.*

**3.5 (5 marks) Why are contracts important? Draw links to identity, both individual**

**and group. What are the potential consequences of weak contract law on (1) government,**

**(2) economy and (3) civil society?**

*Government –*

*Economy – contracts are the backbone of the entire economy. We enter contracts through the purchase of goods/services/commodities, and the mutual exchange of those things. Weak contract laws lead to weak economies due to the inability to hold a party to its obligations. No business would want to make deals in places where their contracts cannot be upheld, as that would result in losses of profit.*

*Civil Society -*