



commerce
undergraduate
society

COMMERCE MENTORSHIP PROGRAM

FINAL REVIEW SESSION

COMM 393



PREPARED BY

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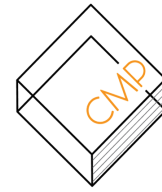


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GENERAL ADVICE

Before the Exam

1) Practice, Practice, Practice!

- The more practice exams you do, the more you will be familiar with various applications of course concepts.
- Try to practice by imitating 'exam conditions': set up a timer and try to answer the practice questions with only your permitted notes.

2) Summarize Your Notes

- It is very helpful to create a summary of the **definitions**, **requirements** and **relevant case law** of each concept. It's the best way to review!

During the Exam

3) Read Carefully!

- Law exams are a time crunch, and the questions are FULL of long text. It is very easy to miss important details.
- Always start with the question, read line by line and **jot down key facts**. That way, you can minimize the amount of time it takes for you to understand what the question is asking for.

4) In All Answers, Make Sure You Have

- Identification of key issue
- Explanation of relevant law
- Application of relevant law to the scenario
- Mention of relevant case law
- Brief conclusion



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RELEVANT CASE LAW

Bal v Infinite Entertainment Sound & Lighting Inc. – DISCHARGE OF CONTRACT, FRUSTRATION

Saturley v Lund – DISCHARGE OF CONTRACT, FRUSTRATION, CONDITION PRECEDENT

Westcoast Transmission v Cullen – DAMAGES, FORESEEABILITY

Blackcomb Skiing Enterprises LP v Schneider – DAMAGES, LIQUATED DAMAGES, DEPOSIT

Albrechtsen v Panaich BCSC – DAMAGES, DEPOSIT, LIQUIDATED DAMAGES

Peacock v Esquimalt Nanaimo Railway – PRIVACY

Dawe v Cypress Bowl – EXEMPTION CLAUSE, REASONABLY INFORM, EXPERIENCED PLAINTIFF

Greeven v Blackcomb – EXEMPTION CLAUSE, REASONABLY INFORM, INEXPERIENCED PLAINTIFF

Maloney v Dockside – EXEMPTION CLAUSE, UNCONSCIONABILITY & USED GOODS

Kobelt Manufacturing v Pacific Rim Engineered Products (PREP) – SGA, SECTION 18 CRITERIA

Bevo Farms Ltd v Veg Gro Inc – SGA, RULE 5, GOODS IN TRANSIT

Kovacs v Holtom – SGA, RULE 2

Porelle v Eddie's Auto Sales – SGA, USED GOODS



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RELEVANT CASE LAW

Waldick v Malcolm – TORTS, OCCUPIER'S LIABILITY ACT, DUTY OF REASONABLE CARE

Hollis v Dow Corning- TORTS, CONTINUING A DUTY TO WARN

Morsi v Fermar – TORTS, STANDARD OF CARE, NO CONTRIBUTORY NEGLIGENCE

Rankin v J.J. – TORTS, DUTY OF CARE, REASONABLY FORESEEABLE HARM

Rangen v Deloitte – PROFESSIONAL LIABILITY

Hercules Management Ltd v Ernst – PROFESSIONAL LIABILITY

Hodgkinson v Simms – FIDUCIARY DUTY, 3 CHARACTERISTICS OF FIDUCIARY RELATIONSHIPS, CONFLICT OF INTEREST

Strother v 3464920 Canada Ltd – FIDUCIARY DUTY, “BRIGHT LINE TEST”

Pemberton Benchlands Housing Corp v. Sabre Transport Ltd – AGENCY, APPARENT AUTHORITY CRITERIA

Lanz v Lanz – GENERAL PARTNERSHIPS, DEFINITION (VIEW TO PROFIT)

Scrag v Lotzkar – PARTNERSHIPS, PARTNERSHIP ACT, PARTNERS BECOME PARTNERS WHEN THEY EMBARK ON THE ACTIVITY

Data Business Forms v Macintosh – CORPORATIONS, NOTICE OF INCORPORATION

SPC Holdings v Gabriel – CORPORATIONS, LIFTING THE CORPORATE VEIL EXCEPTIONS

**Canadian Sports Specialists Inc. v Phillippon CB 350]
- BUSINESS ORGANIZATIONS, DUTIES OF A DIRECTOR**



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PRACTICE PROBLEM 1

Ava is the head designer of “House of Mucci”, an up-and-coming women’s luxury clothing brand based in Vancouver. For her Spring 2022 collection, Ava decided to purchase 5000m of “butterfly” silk from a Japanese fabric merchant named Sakura. They quickly made the deal over the phone, and Sakura agreed to deliver the entire order within two weeks, as she had plenty of butterfly silk left in stock. Ava wired the money to Sakura’s account later that night.

Little did Ava know, that other than being a full-time fabric merchant, Sakura was also an avid TickTocker! She had decided to take advantage of the platform for marketing purposes and had been making videos about the benefits of butterfly silk to no avail. However, just one week before her delivery, one of Sakura’s videos went viral and hundreds of shoppers stormed her small Gastown boutique, exhausting her whole inventory of butterfly silk.

Feeling panicked, Sakura checked to see whether she would be able to get a new shipment in from Japan. But she quickly realized that to get the shipment within one week, she would have to pay 5 times as much per meter of fabric, in addition to a horrific customs fee on imported goods. Sakura called Ava and told her: “I believe our contract has been frustrated. My business happened to have an influx of demand which I could not control, so I can’t get you any Japanese butterfly silk by the time we agreed on.”

Ava was upset, but she could not let that hinder her business. She immediately called her best friend Grace and was able to secure 5000m of butterfly silk for the same price, with an extra \$5,000 fee for express shipment. Feeling relieved, she got to work - but she was not happy with her experience whatsoever.

A) Discuss whether the doctrine of frustration applies in this case.

B) Regardless of your answer in A, assume this contract was not frustrated and Ava wants to sue Sakura for \$50,000 (the original price she paid) in addition to \$20,000 for all the inconvenience she was caused. Would a court deem that fair?



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PRACTICE PROBLEM 2

David was set to start his first day as a management consultant at the “big 2” firm Meloitte. Even though he had gotten up bright and early, traffic had still made him late and he was not able to secure an employee parking. He hurriedly drove into the nearest Park&Go - a public parking center - and got out to pay. While rushing to get his credit card out, he did not notice the big, neon sign above the parking meter that read:

“ PARK AT YOUR OWN RISK: PARK&GO ASSUMES NO RESPONSIBILITY FOR STOLEN OR DAMAGED VEHICLES.”

After an extra-long day at work, David came back at night to see his tires slashed, his window shattered and all of his personal belongings, including his expensive laptop, stolen. He became very angry at the lack of security in the parking center and decided to sue Park&Go for damages.

A) Assess David’s legal rights with regards to Park&Go’s exemption clause. Does he have the right to sue?



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PRACTICE PROBLEM 3

During the winter break, Sandy and Kate spontaneously decided to pack up their bags and take a girls' trip to Marisson Hot Springs. While getting ready to go to bed, Sandy realized that she was missing the most important step of her 12-step Korean skincare routine: the dewy snail moisturizing cream! Reluctantly, she asked to borrow Kate's cheaper moisturizer- after all, they both had sensitive skin and a cheap cream was better than no cream.

The morning after, Kate woke up to Sandy's screams of pure horror. Sandy's face was covered top to bottom in painful pimples and she was fuming with rage. "The bottle says this cream is made for sensitive skin and will get rid of pimples!" Sandy yelled. "Did you say you bought this from T-Mart? I'm suing them for damages as soon as we get back!"

A) Would Sandy be able to bring a claim against T-Mart? Why or why not?



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PRACTICE PROBLEM 4

After years of failed diets and calorie counting, Mina decided that enough was enough; she was finally going to start her very own fitness journey! But having never done sports or stepped into a public gym, Mina's knowledge about gym clothes was very limited and she was worried about investing in the wrong items. One afternoon, she went to her local mall- and after spending some time browsing around, she came across the famous sportswear brand her friends were always raving about: MumuMelon.

Mina hesitantly walked in and was immediately overwhelmed by the array of options. She didn't even know where to start! Soon enough, a sales representative greeted her to which she replied: "Thank goodness you're here! I have no idea what I'm doing. I'm looking for a pair of leggings to get me started in the gym, but I'm not sure which one would suit me best! I'm planning on working out every day, so I really need something that is comfortable and stays just as new even for a long time."

The sales representative showed Mina a pair of leggings called "Mumu Magic 100s" and told her it was exactly what she was looking for. After trying them on, Mina purchased the leggings for \$200 and started wearing them to the gym right away. However, just after 2 weeks of working out, Mina's leggings started to tear at the knees and she couldn't wear them anymore. She took them back to the MumuMelon store for a refund but was promptly told that she was only eligible for a return if her item was unworn.

A) If Mina brings legal action against MumuMelon for rescission under the Sale of Goods Act, will her action be successful? Explain the legal basis for your reasoning.



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PRACTICE PROBLEM 5

On a cold, December night, celebrity popstar Mabel “The Weekday” Jones was finally going to see her lifelong dream come true. Due to her debut album ranking #1 on Billboard’s top 100, Mabel had been nominated for the “Best Artist of The Year” award and would be performing one of her hit singles during the ceremony. Millions of fans were anticipating this event and could not wait to see Mabel shine!

In order to make it to the performance stage in style, Mabel hired a driver named Larry and climbed into his neon pink limousine. Her statement dress was so big and extravagant that she could not sit properly, let alone wear a seatbelt during the drive. Unfortunately, on the way to the ceremony, the icy road conditions caused Larry’s summer tires to slip and the vehicle went crashing into a tree. The limo sustained \$10,000 in damages and Mabel had to be taken to the hospital for serious head injuries.

A) Assess Mabel’s legal rights and liabilities if she were to pursue action against Larry for negligence.

B) Would Larry be able to defend himself? Explain.



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PRACTICE PROBLEM 6

After graduating from UBC, Megan absolutely refused to move back home with her parents. Instead, she decided to do what any other adult would dream to do at her age: purchase a home. She set up a meeting with Johnny Jefferson, a well-known real estate agent from RE/LAX - and he showed her a cozy house with an ocean view in Kitsilano. Megan loved the house, but she had a hard time making a decision. She was a first-time homebuyer, and she was worried that she wasn't asking Johnny about the right safety features.

Although Johnny had heard about a tiny problem with the gas line, he thought it was not a big enough deal to check. He told Megan: "With this house, you have absolutely nothing to be worried about. Everything has been renovated and kept in top shape. You will have no safety problems - at least, not for a long time." Hearing this was enough to persuade Megan. She took out a mortgage and signed a contract for the house immediately.

Just one month after moving in, two city inspectors visited Megan's house for a routine checkup. After their inspection, they came back to ask: "Did you know about the problem with your gas line? It's very unsafe and has to be renovated in accordance with BC regulations as soon as possible." Megan was shocked. When she brought in a contractor, she was given a quote of \$60,000, a cost that ended up putting her in a very tough financial situation.

A) Feeling angry, Megan decided to bring legal action against Johnny for negligent misrepresentation in hopes of ending her financial hardship. Will her action succeed? Explain why or why not



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PRACTICE PROBLEM 7

Up until now, Tim has never invested his money. He has always just taken his paychecks and put them straight into his bank account, where they would gather dust in addition to a mere 0.5% annual growth. After learning about TFSAs from his friends in business school, Tim became inspired to open his own account and start his journey into the investment world. He set up a meeting with a financial advisor immediately and asked her whether it made more sense for him to invest in individual stocks or a mutual fund.

Mary, the financial advisor, showed Tim a specific mutual fund and told him that it was the best mix she had seen in a while. Tim agreed to invest, but he came to learn from one of his friends (who happened to be Mary's coworker) that the mutual fund he had invested in was destined to decline, as some of the companies involved were linked to fraudulent activities. What was worse, was that Mary was getting a secret commission for every new investor she found!

A) Assess Tim's legal rights with regard to the situation at hand. Would he be able to bring legal action against Mary?



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PRACTICE PROBLEM 8

Jenny is a wealthy gallerist who owns one of the most renowned private art galleries in Canada. Before her gallery was able to attain this status, Jenny had always resorted to handpicking the art that would be purchased and displayed, as she had a true talent for finding top-selling paintings. Recently, Jenny found her schedule to be extremely busy - and did not have the time to personally view the art. Instead, she decided to hire Pablo as an art curator with the following agreement:

Pablo would go to the location of the art, meet with the artist, view the art, and determine whether it matched the aesthetic of the gallery. After doing so, he would send details of his analysis to Jenny, who would confirm whether or not Pablo should make the purchase. Once the art was purchased, it would then be sent to the gallery and sold for a high profit.

On his first year on the job, Pablo realized that he was very good at finding pieces that Jenny would love! Soon enough, he found himself making the purchase first and then informing Jenny, which would lead her to become impressed once the painting arrived at an exceptionally early delivery date. One day, Pablo came across a beautiful painting of the Banff National Park, which had a lot of competition for from other curators.

Upon showing the artist his business card, Pablo was immediately able to secure the painting for \$500,000 - however, once he told Jenny about the art piece, she told him that they did not have enough money to make the purchase and that he should hold off from buying it. Feeling flustered, Pablo confessed that he had already signed the contract and the artist was expecting full payment in one week. Jenny called the artist and told her that Pablo never had the authority to make the purchase before her confirmation, and that the contract was discharged.

A) Assess Jenny's legal rights and liabilities if the artist were to sue for breach of contract.



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PRACTICE PROBLEM 9

What started as a childhood dream, finally became a reality when Alice and Lucy decided to set up their own wedding planning business called “Beautilux”. Alice and Lucy both contributed \$100,000 to secure their very own office space, and always made sure to share management responsibilities. Not before long, the waiting list for Beautilux’s services grew immensely long and the girls became wary of the legal risks involved with their operations. Having heard from one of their friends about incorporation, they decided to add the word “Inc.” to all of their marketing material. “ If anything were to happen, we won’t be held liable now!”

Just one day before the ceremony of their biggest client, an angry bride called Lucy to demand where all of the flowers and the cakes were, as the venue was still plain and empty. Lucy could not believe her ears. She talked to Alice and it turned out that she had never placed the orders to begin with. Soon enough, the bride brought an action against Beautilux for breach of contract - and Lucy was so embarrassed about Alice’s conduct that she decided to leave the business immediately. It was all Alice’s fault, after all.

A) Assess the legal rights and responsibilities of Alice, Lucy and Beautilux. Who will be held liable for breach of contract?



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