

HOSPITALITY MANAGEMENT DEPARTMENT

COURSE TITLE: **HOSPITALITY LAW**

YEAR 3, ADVANCED DIPLOMA IN HOSPITALITY MANAGEMENT

**EXAM**

**INSTRUCTIONS**

1. The Paper is made up of **TWO Sections: A&B**, Section **A** is **compulsory**
2. Attempt only **THREE** Questions in Section **B**
3. Credit is given for legibility, clarity of expressions and use of relevant illustrations.
4. Clearly write your registration number on each answer sheet used.
5. **DO NOT WRITE ANYWHERE ON THIS QUESTION PAPER**

**SECTION A: Compulsory**

**Question ONE/ 25 Marks**

Jessica Bristol and her two young children checked into room 104 of the Travel-In motel at 9:00 P.M. on Friday night. She produced a credit card issued in her name as a form of payment and requested that she be given the room for two nights. On Saturday afternoon, a man identifying himself as Preston Bristol, Jessica Bristol's husband presented himself at the front desk and asked for the key that she was supposed to have left for him at the front desk. He stated that he was joining his wife and children at the motel; they were visiting relatives, but he had had to work the day before.

The desk clerk replied that no key had been left and proceeded to call the room to inform Jessica Bristol that her husband was at the front desk. There was no answer in the room. Preston Bristol then produced his driver's license for the desk clerk, which had the same address that Jessica Bristol had used on her registration card. Mr. Bristol also produced a credit card issued in his name with the same account number as that used by Jessica Bristol at check-in. As the clerk perused the license and credit card, Mr. Bristol offhandedly referred to a picture in his wallet of Jessica Bristol and his two children. Based on the positive identification, the clerk issued Mr. Bristol a key to Jessica Bristol's room.

At approximately 6:00 P.M. on Saturday, a guest in room 105 called the front desk to complain about a loud argument in room 104, Jessica Bristol's room. The desk clerk called room 104, but got no answer. The clerk then called the local police. When they arrived, they found Jessica Bristol badly beaten and her children missing. A description of Mr. Bristol's car quickly led to his arrest and the recovery of the children by the police. Jessica Bristol recovered from her injuries and completed the divorce proceedings she had begun against her husband. In addition, she filed assault and battery charges against him. Jessica Bristol also sued the motel's manager, owner, and Franchise Company for \$8 million, stating that the motel was negligent and had violated her right to privacy. The motel's position was that it acted reasonably to ensure Mr. Bristol's identity, and added that it was not an insurer of guest safety and could not have foreseen Mr. Bristol's actions.

- A. Did the desk clerk act in a reasonable manner?
- B. Did Mr. Bristol have a right to enter the room?
- C. What should management do in the future to prevent such an occurrence?

### **SECTION B: CHOOSE ONLY THREE QUESTIONS**

#### **Question TWO/ 25 Marks**

Keza was offered a position as director of foodservice for the independent international school in Gasabo District. She received a written offer of employment on the first of the month, with a stipulation that the offer would be in effect until the fifteenth of the month. If Keza were to accept the employment offer, she would have to sign the employment contract and return it to the school before the offer expired on the fifteenth. Upon reading the details of the contract, Ms. Keza felt that the salary identified in the letter was too low, and thus she adjusted it upward by 150 000 rwf, initialing her change on the contract copy. She then returned the offer letter to the school with a cover letter, stating she was pleased to accept the position as detailed in the contract. The contract arrived by mail in the office of the school on the fourteenth of the month, at which time, the school called Ms. Keza to express his regret that she had rejected the employment offer. During the telephone call, Ms. Keza realized that the school would not accept her salary revision proposal, so instead she verbally accepted the position at the original rate of pay. The school, however, declined her acceptance, stating that the original employment offer no longer existed.

Does the school have the legal right to withdraw its offer of employment? Why or why not?

**Question THREE/ 25 Marks**

Nicholas Kostanty formed a limited partnership with his father-in-law, Ray Sweeney, to open an upscale French restaurant in a midwestern town. Mr. Kostanty was the general partner and owned 75 percent of the business. Mr. Sweeney, with 25 percent ownership, was the limited partner and invested \$100,000. After one year, difficulties in the restaurant's operation caused business to drop off, and Mr. Kostanty called Mr. Sweeney for advice.

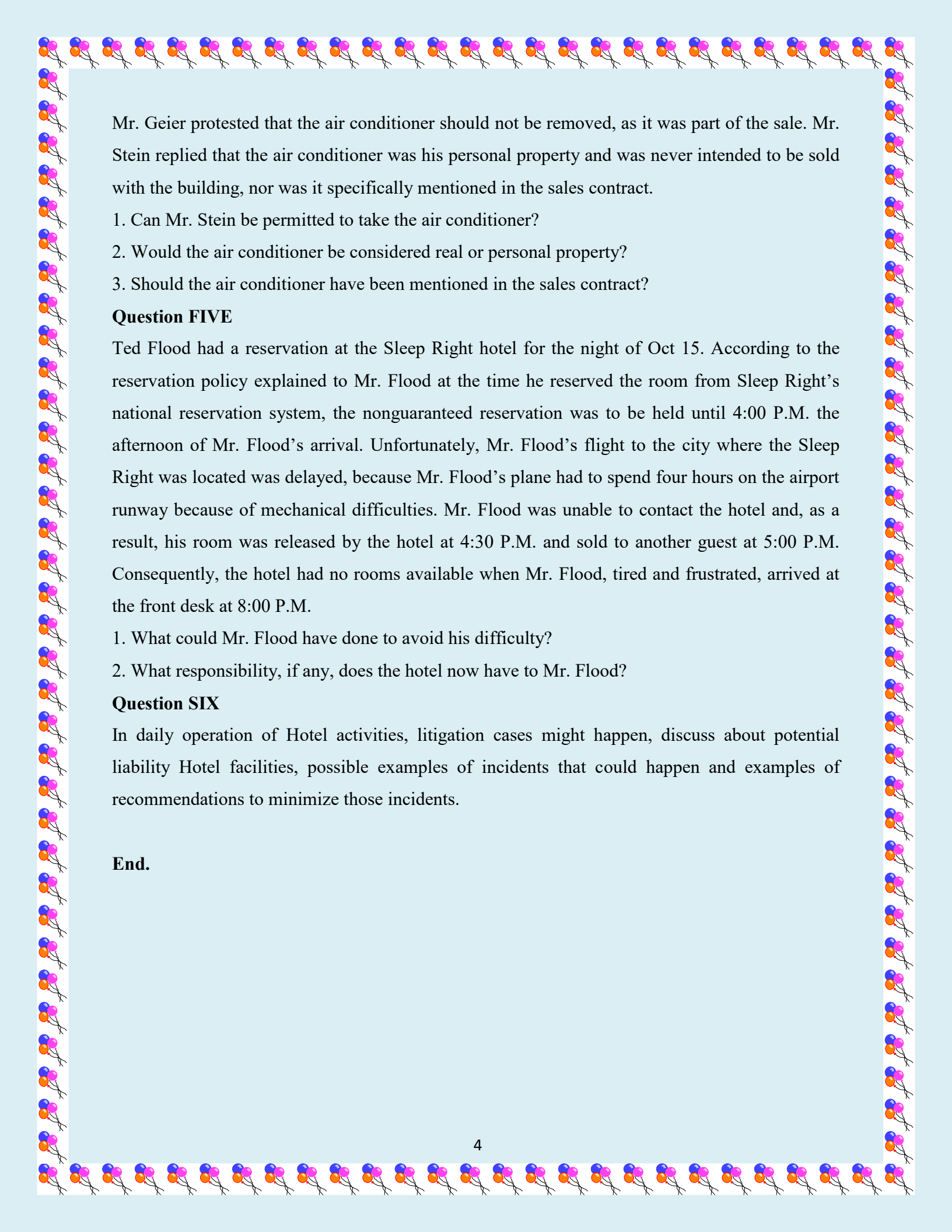
After hearing of the difficulties, and concerned with the security of his investment, Mr. Sweeney traveled from Arizona to Indiana to visit the operation. Upon observing the operation for two days, the two partners decided to launch a large and expensive television ad campaign to increase flagging sales. Mr. Sweeney designed the campaign with the help of Seelhoff Advertising and Video, a local advertising agency specializing in television commercials. Despite an immediate increase in sales, over time, volume continued to decline, and finally, three months after the ad campaign was launched, the restaurant closed its doors. Total debts at the time the restaurant closed equaled \$400,000, with assets of the partnership totaling only \$200,000. Included in the debt was \$150,000 owed to the advertising agency.

The agency sought payment directly from Mr. Sweeney. Mr. Sweeney, claiming that his liability was limited to the \$100,000 he had previously invested in the business, refused to pay any additional money. The Seelhoff Advertising Agency sued the limited partnership, as well as Nicholas Kostanty and Ray Sweeney individually.

1. By hiring the advertising agency, did Mr. Sweeney forfeit his limited partner status?
2. Is Mr. Sweeney liable for the outstanding debts of the limited partnership?

**Question FOUR/ 25 Marks**

Jay Geier purchased a cinnamon roll franchise from a franchisor. To house the operation, he purchased a small, but ideally located, building from David Stein. The two individuals agreed upon a fair price, then both Mr. Geier and Mr. Stein signed the sales contract. Mr. Geier was to take possession of the property on March 1. On the morning of February 28, Mr. Geier arrived at the property to take some exterior measurements he would need in order to get a contractor's bid on resurfacing the parking lot. He observed Mr. Stein removing a window air conditioning unit from the small manager's office at the rear of the building.



Mr. Geier protested that the air conditioner should not be removed, as it was part of the sale. Mr. Stein replied that the air conditioner was his personal property and was never intended to be sold with the building, nor was it specifically mentioned in the sales contract.

1. Can Mr. Stein be permitted to take the air conditioner?
2. Would the air conditioner be considered real or personal property?
3. Should the air conditioner have been mentioned in the sales contract?

#### **Question FIVE**

Ted Flood had a reservation at the Sleep Right hotel for the night of Oct 15. According to the reservation policy explained to Mr. Flood at the time he reserved the room from Sleep Right's national reservation system, the nonguaranteed reservation was to be held until 4:00 P.M. the afternoon of Mr. Flood's arrival. Unfortunately, Mr. Flood's flight to the city where the Sleep Right was located was delayed, because Mr. Flood's plane had to spend four hours on the airport runway because of mechanical difficulties. Mr. Flood was unable to contact the hotel and, as a result, his room was released by the hotel at 4:30 P.M. and sold to another guest at 5:00 P.M. Consequently, the hotel had no rooms available when Mr. Flood, tired and frustrated, arrived at the front desk at 8:00 P.M.

1. What could Mr. Flood have done to avoid his difficulty?
2. What responsibility, if any, does the hotel now have to Mr. Flood?

#### **Question SIX**

In daily operation of Hotel activities, litigation cases might happen, discuss about potential liability Hotel facilities, possible examples of incidents that could happen and examples of recommendations to minimize those incidents.

**End.**