**Legal and Ethical Issues**   
**Activities**   
  
  
1. **What does the Trade Practices Act make illegal?**   
· Important conditions are written in fine print   
· ‘Enhanced’ or ‘worsened’ before and after shots   
· Implying a special offer is available for a limited time when it is available continuously.   
· Accuracy of information regarding origin of product   
  
2. **Explain how the following promotion strategies may mislead consumers.**   
**(a) Fine print**   
Most Consumers don’t see the fine print which may contain important information regarding the product.   
**(b) ‘Before’ and ‘after’ advertisements**   
‘Before’ and ‘after’ advertisements are normally enhanced or worsened which confuses the perception of consumers.   
  
  
  
3. **What is meant by the term ‘materialism’?**

Materialism is an individual’s desire to always have different possessions.   
  
4. **Why are businesses keen to use product placement?**

It allows businesses to reach their goals where advertisement wearies.   
  
5. **In each of the following examples, state whether there has been a breach of the Trade Practices Act.**   
(a) **A company advertises jumpers and claims that they are made in Australia when, in fact, they are made in Hong Kong.** This is a breach in the act because there is an inaccurate statement about where the product has been made.   
(b) **A company advertises that the special deal is for one week only, when, in fact, it plans to extend it indefinitely.** There is a breach in the act as the special deal is not just for one week but it is set to go on for a long time.   
  
6. **Present arguments for and against business sponsorship arrangements involving schools to help promote their product or service.**   
For:   
If the product is beneficial to the students it may encourage children from the school to purchase the product.   
Against:   
If the product is unhealthy then it may have a negative impact on the children attending the school.