

**INTERNATIONAL MANAGEMENT INSTITUTE, BHUBANESWAR**  
**GM605: LEGAL ASPECTS OF BUSINESS**  
**PGDM 2015-17 Term II**  
**CREDIT: Full (3 credits)**  
**SESSION DURATION: 90 Minutes**

Faculty: Professor G. K. KAPOOR  
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Consulting Hours: 2 P. M to 3 P.M.

**Objectives:** To acquaint and equip participants with basic knowledge of business and corporate laws.  
At the end of the course, the students should be able to:

1. Know as to what constitutes a contract?
2. Distinguish between a contract and a bare pact/agreement
3. Know the essential requirements of a valid contract
4. Learn the consequences of making a void agreement vs. illegal agreement
5. Know the difference between offer and invitation to offer; cross and counter offer; specific and general offer
6. Know the remedies available in case of breach of contract
7. Learn about resolution of disputes through Arbitration and Conciliation
8. Know the difference between indemnity and guarantee
9. Learn the rule of caveat emptor
10. Know the difference between condition, warranty and guarantee
11. Know about promissory notes, bills of exchange and cheque
12. Learn various kinds of crossings and their effect
13. Know as to what constitutes 'bouncing of cheques' and consequences thereof
14. Know the meaning of company and various types of companies that may be formed
15. Learn formation of company
16. Management and administration of a company
17. Know the meanings of 'defective goods' and deficiency of service and the remedies available to a consumer
18. Know about restrictive, unfair and anti-competitive trade practices

**Pedagogy:** Besides lectures, the pedagogy involves study of decided case laws and practical situations with a view to put across the application of business legislations in the real life situations. Through quiz exercises, Project/Assignment, Mid-term and Final Exam, the assimilation of knowledge by the students is tested.

**Evaluation Criteria (%)**

Two quizzes of 10 marks each	:	20
Project/Assignment	:	20
Mid-term Exam	:	20
Final Exam	:	40
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		100

**Text book:** *Business Law including Company Law (17th Edn.) S. S Gulshan & G. K. Kapoor -published by New Age Publishers*

**Reference Books:**

Mulla's – Indian Contract Act, 1872

Mulla's – Sale of Goods Act, 1930

Khergamwala – Negotiable Instruments Act, 1881

G K Kapoor and Sanjay Dhamija – Company Law and Practice

Bare Acts :

- Indian Contract Act, 1872
- Arbitration and Conciliation Act, 1996
- Sale of Goods Act, 1930
- Negotiable Instruments Act, 1881
- Consumer Protection Act, 1986
- Companies Act, 2013
- Competition Act, 2002

**Session Plan****1. INDIAN CONTRACT ACT****7 SESSIONS**

- INTRODUCTION
- MEANING OF CONTRACT
- PROPOSAL AND ACCEPTANCE
- ESSENTIAL ELEMENTS OF CONTRACT
- KINDS OF CONTRACTS
- VOID AGREEMENT vs. VOID CONTRACT
- VOID AGREEMENT vs. ILLEGAL AGREEMENT
- EXPRESS vs. IMPLIED CONTRACTS
- OFFER vs. INVITATION TO OFFER
- SPECIFIC vs. GENERAL OFFER
- SPECIAL TERMS IN A CONTRACT
- CROSS OFFER vs. COUNTER OFFER
- COMMUNICATION OF OFFER, ACCEPTANCE AND REVOCATION
- BREACH OF CONTRACT AND REMEDIES
- SETTLEMENT OF DISPUTES THROUGH ARBITRATION AND CONCILIATION
- CONTRACTS RELATING TO INDEMNITY AND GUARANTEE

**2. SALE OF GOODS ACT****1.5 SESSIONS**

- CONDITIONS AND WARRANTIES
- DOCTRINE OF CAVEAT EMPTOR

**3. NEGOTIABLE INSTRUMENTS ACT****3 SESSIONS**

- MEANING AND DEFINITION OF NEGOTIABLE INSTRUMENT
- PROMISSORY NOTE, BILL OF EXCHANGE, CHEQUE
- CROSSING OF CHEQUES
- BOUNCING OF CHEQUES

**4. COMPANIES ACT****7 SESSIONS**

- MEANING AND DEFINITION OF COMPANY
- TYPES OF COMPANIES

- HOW TO FORM A COMPANY?
- MEMORANDUM OF ASSOCIATION
- ARTICLES OF ASSOCIATION
- PROSPECTUS
- MANAGEMENT AND ADMINISTRATION

**5. CONSUMER PROTECTION ACT AND COMPETITION ACT      1.5 SESSIONS**

- DEFECTIVE GOODS/DEFICIENCY OF SERVICE
- RESTRICTIVE TRADE PRACTICES
- UNFAIR TRADE PRACTICES
- ANTI COMPETITIVE AGREEMENTS

**TOTAL NO. OF SESSIONS:**

**20 SESSIONS**