



**INTERNATIONAL MANAGEMENT INSTITUTE BHUBANESWAR
PGDM [2018-2020]
LEGAL ASPECTS OF BUSINESS**

PGDM (2018-20)

**Credit (2), Session Duration: 60 minutes
TERM I**

Course Outline and Session Plan

Faculty: Prof. G. K. Kapoor
Telephone: 09811123653
E-Mail: gkkapoor@imi.edu

Introduction

All business entities are supposed to work within the external legal environment. Various laws of the land have a bearing on the business decisions. Every manager should, therefore, have a basic knowledge of certain laws to ensure that his decisions are within the framework of the applicable laws. There may be occasions demanding an immediate decision on the part of the manager and obtaining legal advice may not be feasible. The objective of the course, therefore, is to equip participants with basic knowledge of certain business and corporate laws so that they can take correct and timely decisions.

Learning Outcomes

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. Know about the contracts of Indemnity and Guarantee
8. Learn the rule of *caveat emptor*
9. Know the difference between condition, warranty and guarantee
10. Learn about Express and Implied Conditions and Warranties
11. Know about Promissory Note, Bill of Exchange and Cheque
12. Learn various kinds of crossings of a cheque 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. Know the meaning of Prospectus
17. Know about Management and administration of a company
18. Know the meanings of 'defective goods' and 'deficiency of service' and the remedies available to a consumer

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/case studies, Mid –term and Final Exam, the assimilation of knowledge by the students is tested.

Evaluation Criteria (%)

| | | |
|--------------------------------------|---|-----|
| Two written quizzes of 10 marks each | : | 20 |
| Project/Assignment/Case study | : | 10 |
| Mid-Term | : | 30 |
| Final Exam | : | 40 |
| | | — |
| | | 100 |

Text book: *Business Law including Company Law (2018 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

Dr. G K Kapoor and Dr. Sanjay Dhamija – Company Law (2018) Edn.

Bare Acts:

- Indian Contract Act, 1872
- Sale of Goods Act, 1930
- Negotiable Instruments Act, 1881
- Companies Act, 2013
- Consumer Protection Act, 1986

Session Plan

- **INDIAN CONTRACT ACT** **9 SESSIONS**
 - INTRODUCTION
 - MEANING OF CONTRACT
 - PROPOSAL AND ACCEPTANCE
 - ESSENTIAL ELEMENTS OF CONTRACT
 - KINDS OF CONTRACTS
 - 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
 - CONTRACTS OF INDEMNITY AND GUARANTEE

- **SALE OF GOODS ACT** **2 SESSIONS**
 - RULE OF CAVEAT EMPTOR

 - CONDITIONS AND WARRANTIES

- **NEGOTIABLE INSTRUMENTS ACT** **2 SESSIONS**
 - PROMISSORY NOTE, BILL OF EXCHANGE, CHEQUE
 - CROSSING OF CHEQUES
 - BOUNCING OF CHEQUES

- **COMPANIES ACT** **5 SESSIONS**
 - MEANING AND DEFINITION OF COMPANY
 - CHARACTERISTIC FEATURES OF A COMPANY
 - TYPES OF COMPANIES
 - HOW TO FORM A COMPANY?
 - PROSPECTUS
 - MANAGEMENT AND ADMINISTRATION

- **CONSUMER PROTECTION ACT** **2 SESSIONS**
 - DEFECTIVE GOODS/DEFICIENCY OF SERVICE
 - REMEDIES AVAILABLE TO A CONSUMER

Session Plan

| SESSION | TOPIC | Learning Outcomes | Readings |
|---------|--|--|-----------------------|
| 1 | <p>Topic: Introduction and Meaning and Definition of Contract</p> <p>Objectives: To learn</p> <ul style="list-style-type: none"> • Introduction and need to study Legal aspects of business • Understanding the legal Meaning and definition of contract | <ul style="list-style-type: none"> • Know as to what constitutes a contract? • Distinguish between a contract and a bare pact/agreement | Chapter 1 of the Book |
| 2 – 3 | <p>Topic:</p> <ul style="list-style-type: none"> • ESSENTIAL ELEMENTS OF CONTRACT • KINDS OF CONTRACTS • VOID AGREEMENT vs. ILLEGAL AGREEMENT <p>Objectives: To learn</p> <ul style="list-style-type: none"> • Constituents of a valid contract • Various kinds of contracts • Difference between Void and Illegal Agreement | <ul style="list-style-type: none"> • Know the essential requirements of a valid contract • Learn the consequences of making a void agreement vs. illegal agreement | Chapter 1 of the Book |
| 4 – 5 | <p>Topic:</p> <ul style="list-style-type: none"> • EXPRESS vs. IMPLIED CONTRACTS • OFFER vs. INVITATION TO OFFER • SPECIFIC vs. GENERAL OFFER • SPECIAL TERMS IN A CONTRACT • COUNTER OFFER • COMMUNICATION OF OFFER, ACCEPTANCE AND REVOCATION | <ul style="list-style-type: none"> • Know the difference between offer and invitation to offer; cross and counter offer; specific and general offer | Chapter 1 of the Book |
| 6 - 7 | <p>Topic:</p> <ul style="list-style-type: none"> • BREACH OF CONTRACT AND REMEDIES <p>Objectives: To learn</p> <ul style="list-style-type: none"> • What constitutes breach of contract • Remedies available to the aggrieved party in case of breach | <ul style="list-style-type: none"> • Know the remedies available in case of breach of contract | Chapter 1 |

| | | | |
|---------|---|---|------------------------------|
| 8 – 9 | <p>Topic:</p> <ul style="list-style-type: none"> • CONTRACTS OF INDEMNITY AND GUARANTEE • DUTIES OF AN AGENT <p>Objectives: To learn the concepts of Indemnity and Guarantee and also know the duties of an agent</p> | Know about the contracts of Indemnity and Guarantee and Agency | Chapter 2 of the Book |
| 10– 13 | <p>Topic:</p> <ul style="list-style-type: none"> • RULE OF CAVEAT EMPTOR • CONDITIONS AND WARRANTIES • P/N, B/E AND CHEQUE • BOUNCING OF A CHEQUE <p>Objectives:</p> <ol style="list-style-type: none"> 1. To learn the rule of caveat Emptor and meaning and relevance of conditions and warranties in sale of goods 2. Meaning and definition of P/N, B/E and cheque and consequences of bouncing of a cheque | <ul style="list-style-type: none"> • Know about the terms and conditions subject to which goods are sold and their legal implications • Know the concepts of P/N, B/e and Cheque and the legal consequences of bouncing of a cheque | Chapters 4 and 5 of the Book |
| 14 - 18 | <p>Topic: Company law</p> <p>Objectives: To learn</p> <ul style="list-style-type: none"> • The meaning and definition of company • Kinds of companies • Formation of a company • Legal aspects of Management and Administration of a company | Understanding the basics of company law | Chapter 7 of the Book |
| 19 - 20 | <p>Topic:</p> <ul style="list-style-type: none"> • DEFECTIVE GOODS/DEFICIENCY OF SERVICE • REMEDIES AVAILABLE TO A CONSUMER <p>Objectives: To learn</p> <p>Objectives to learn:</p> <ul style="list-style-type: none"> • Concept of Defective goods and deficiency of service • Remedies that a consumer can avail of in case of defective goods or deficiency of service | Understanding the remedies available to a consumer in case of defective goods or deficiency of service | Chapter 9 of the Book |

-----***-----