

MGT 204 Business Law

Lecture Hours: 150

Full Marks: 100

Pass Marks: 35

Course Objectives:

This course aims to enhance students understanding of the basic business laws required for effective management of business operations.

Course Description:

This course contain; Introduction to law and business law, General law of contract, Contract of agency, Bailment, Contract of sale of goods, Contract of carriage, Law of company and insolvency, Arbitration, Indemnity and guarantee.

Unit 1: Introduction to Law and Business Law

LH 8

- Nature and characteristic of law
- Types and sources of law
- Meaning and characteristic and source of Nepalese business law

Unit 2: General Law of Contract

LH 44

- Meaning, Nature and definition of contract, Essential elements of valid contract,
- Meaning and Rules regarding offer, Revocation/ lapse of offer, Meaning and rules regarding acceptance, communication of offer and acceptance
- Meaning of contractual capacity, Legal effects of agreements made with an incompetent party (the minor and the person of unsound mind)
- Meaning and Rules regarding consideration, Exceptions to the general rule 'No consideration no contract.
- Concept and importance of free consent, Meaning, and legal effects of contract caused by: Coercion, Undue influence, Misrepresentation, Fraud, Mistake
- Concept and importance of legality of objective and consideration, Conditions of unlawful agreement and void agreement.
- Meaning and definition of contingent contract, Rule regarding contingent contract
- Meaning and definition of quasi contract, Cases of quasi contract.
- Meaning and nature of performance of contract, Responsible person for demanding contract and performance of contract, Importance of performance of contract, Rules regarding performance of contract
- Meaning of termination of contract, Modes of termination of contract.
- Meaning and types of breach of contract, Remedies for breach of contract. Major provision of Nepal contract.
- Conceptual capacity, rules regarding minor's agreement, person of unsound mind and disqualified persons

Unit 2: Bailment

LH 16

Meaning of bailment, Rights and duties of Bailor and Bailee, Finder of lost goods (rights and duties of finder of lost goods), Meaning of pledge of pawn, Distinction between bailment and pledge, Right and duties of pawner and pawnee, pledge by non-owner.

Unit 3: Contract of Agency**LH 12**

Meaning and general rules of agency, Modes of creating agency, Types of agent Rights and duties of agent, Right and duties of principal, Delegation of authority, Sub-agent and substituted agent, Responsibility of agent, Personal responsibility of agent, Termination of agency, Procedure of registration and effect of non-registration of agency in Nepal.

Unit 4: Contract of Sale of Goods**LH12**

Meaning and features of contract of sales of goods, Difference between sales and agreement to sell, implied condition and warranty, and caveat emptor, Transfer of ownership, transfer of title by non- owner, Rights and duties of unpaid seller.

Unit 5: Contract of Carriage**LH 10**

Meaning and nature of contract of carriage, Characteristics of common carrier, Difference between common and private carrier, Rights, duties and liabilities of common carrier, Carriage by land, Carriage by Sea (contract of Affreightment: charter party and bill of lading), and carriage by air, Inco terms 2010: A brief introduction.

Unit 6: Law of Negotiable Instruments**LH 6**

Meaning and feature of negotiable instruments, Promissory note, bills of exchange and cheque, Holder and holder in due course, Discharge of negotiable instrument.

Unit 7: Law of Company and Insolvency**LH 18**

Company: Meaning, Nature and incorporation of company, Insolvency: Meaning and procedure of insolvency of company, legal importance and formalities of meetings minutes and resolutions of a company, Legal provision regarding Board's report appointment of auditor, Removal of an auditor, Investigation, Re- organization and liquidation of a company, Power and role of the liquidator, Nepalese law of insolvency and feature of insolvency Act, 2003.

Unit 8: Arbitration**LH 12**

Meaning, features and significance of arbitration, process of appointment of arbitrators, power and function of arbitrators, disputes or cases to be settled by arbitration, who can refer disputes to arbitration, revocation of Arbitrator, authority, procedures of settlements of disputes, award, major provisions of Nepal Arbitration Act.

Unit 9: Indemnity and Guarantee**LH 12**

Meaning of contract of indemnity, Rights and duties of indemnifier and indemnity holder, Meaning of contract of guarantee, Types of guarantee, Difference between indemnity and guarantee, Rights, duties and liabilities of surety, Discharge of surety from liability.

Basic books/ References

- Albuquerque, Daniel (2013) *Legal Aspects of Business*(Texts, Jurisprudence and Cases), OxfordUniversity Press, New Delhi, India.
- Fitzgerald, Ram Prasad, P. J (2012), *Salmond on Jurisprudence*, Sweet & Maxwell Ltd. U.K.
- Shrestha, Ram Prasad, BaniyyaKanoon, Mrs. BijayaShrestha, Lagankhel, Lalitpur.
- Kalika, Satya Narayan, *Business Law* for BBA, BuddhaPulication, Kathmandu.
- Kuchhal M.C.- *Mercantile Law*, Vikash Publishing House, Delhi.
- Shukla, M.C.,*Mercantile Law*,S. Chand & Company Ltd, New Delhi.
- Sen and Metra, *Commercial Law and Industrial Law*, The World Press Pvt. Ltd., Calcutta.
- Sukla, *A Manual of Mercantile Law*, S. Chand and Company Ltd., Delhi.
- *Agency Act, 2014, Law Book Mgmt.* Committee, Kathmandu.
- *Companies Act, 2063, Law Book Mgmt.* Committee, Kathmandu.
- *Contract Act, 2056, Law Book Mgmt.* Committee, Kathmandu.
- *Insolvency Act, 2063, Law Book Mgmt.* Committee, Kathmandu.
- *Arbitration Act, 2055*