

06 - COMMERCIAL LAWS AND BUSINESS ETHICS
OPERATIONAL LEVEL-2
INTRODUCTION

This course is designed to focus on the important topics of Business Laws, governing the operational aspects of business. A thorough study of this course will develop students' knowledge about the legal system, contract, Partnership, Sales and Procurement Laws apply in Pakistan.

OBJECTIVE

To equip the students with the knowledge of business laws, the course enables them to:

- Understand the legal system of Pakistan
- Understand application of commercial laws in industry
- Advise the management on the financial and non-financial implications of business laws for the effective operations of the business.

LEARNING OUTCOMES

On completion of this course, you should be able to:

- Understand the legal system of Pakistan
- Comprehend the sources of business laws;
- Understand the various laws and provisions contained in the contract act, 1872;
- Elucidate the various laws and provisions contained in the sale of goods act. 1930 and partnership act, 1932
- Comprehend the laws related to negotiable instrument act, 1881;
- To understand basic ethics and threats

INDICATIVE GRID

PART	SYLLABUS CONTENT AREA		WEIGHTAGE
A	1	Introduction to Legal System of Pakistan	10%
	2	The Contract Act, 1872	
B	3	Sales of Good Act, 1930	70%
	4	Partnership Act, 1932	
	5	Negotiable Instrument Act, 1881	
C	6	Business Ethics and threats	20%
TOTAL			100%

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

DETAILED CONTENTS
PART - A
1. Introduction to Legal System of Pakistan

- Need of study of law
- Sources of law
- System of court
- Doctrine of precedent
- Pakistan's law-making authority

PART - B
2. The Contract Act, 1872

- Contract and its kinds
- Offer and acceptance
- Consideration and object
- Capacity of parties
- Free consent
- Void agreements
- Contingent and quasi contracts
- Performance of contract
- Discharge of contract
- Remedies for breach of contract
- Indemnity and guarantee
- Bailment and pledge
- Contract of agency

3. Sales of Good Act, 1930

- Contract of sale of goods
- Conditions and warranties
- Transfer of property
- Performance of contract of sale
- Rights of unpaid seller

4. Partnership Act, 1932

- Definition and essential features
- Merits and demerits

- Kinds of partners including clauses related to minor partner
- Difference between partnership and co-ownership
- Formation of partnership
- Types of partnership
- Registration of firms and effect of non-registration
- Rights, duties and liabilities of partner
- Implied authority and non-implied authority of partner
- Re-constitution of a firm (incoming & outgoing partners)
- Modes of dissolution of a firm;

5. Negotiable Instrument Act, 1881

- Negotiable instrument
- Parties to negotiable instrument
- Presentment of negotiable instrument
- Negotiation of negotiable instrument
- Dishonour of negotiable instrument
- Banker and customer

PART - C
6. Business Ethics and threats:

- Define corporate codes of ethics and explain its benefits to the organization and its employees.
- Describe the typical contents of a corporate code of ethics.
- Examples of the fundamental principles of professional ethics.
- Ethical responsibilities of a Management Accountant in the preparation and reporting of financial information.
- Describe situations where ethical conflicts can arise.
- Identify the main threats to ethical behavior and safeguard against ethical threats