

SEMESTER-2

BI-204 - BUSINESS LAWS

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 and ability to comprehend the salient features of business laws.

Objectives

The objective of this course is to provide the students with the knowledge of business laws, enabling them to:

- formulate various business plans helpful for operational and long-term decisions-making,
- advise the management on the financial and non-financial implications of business laws, for the effective operations of the business.

Outcomes

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

- identify and describe the sources of business laws,
- identify and explain various aspects of contracts such as communication, acceptance and revocation of proposals, essentials of valid contract performance, discharge, breach of contract and damages for breach of contract, contract of bailment,
- describe how an agency is created,

- differentiate between contract of Indemnity and Guarantee,
- explain the classes of agent and describe the agent's duty to the principal and principal's duty to agent,
- identify and explain the rights and liabilities of parties to a contract, when principal is disclosed or undisclosed,
- describe the ways when an agency is terminated,
- explain the kinds of contract of sales,
- differentiate between hire-purchase contract and deferred payment sale,
- identify and explain the conditions of sale of goods, transfer of property, transfer of title of goods, performance of the contract of sale,
- identify and explain various laws contained in Partnership Act, 1932,
- identify and explain the provisions contained in Negotiable Instruments Act, 1881.
- Identify and explain the provisions enunciated in Industrial Relations Act, 2008, Workmen's Compensation Act, 1923 and West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance, 1968.

INDICATIVE GRID

| SECTION | SYLLABUS CONTENTS | WEIGHTAGE |
|--------------|--|-------------|
| A | 1. Introduction to Legal System of Pakistan | 10% |
| B | Business Laws 2. The Contract Act, 1872 3. Sale of Goods Act, 1930 4. Partnership Act, 1932 5. Negotiable Instruments Act, 1881 | 70% |
| C | Industrial Laws 6. Factories Act, 1934 & Workmen's Compensation Act, 1923 7. Social Security Ordinance, 1965 | 20% |
| TOTAL | | 100% |

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

CONTENTS

SECTION-A

1. Introduction to Legal System in Pakistan

- a. Definition and sources of law
- b. Interpretation of Statutes (Acts and Ordinances)
- c. Source of legal documents
- d. Structure of Subordinate and Superior Courts

SECTION- B

BUSINESS LAWS

2. The Contract Act, 1872

Difference between Contract and agreement; Void, void able and enforceable agreements; Elements/ingredients of a contract; proposal; acceptance and revocation; void agreements; Free consent, Coercion, Undue Influence, Fraud, Mistake, Misrepresentation; flaws in capacity; quasi – contracts; contingent contracts; contracts which must be performed; time and place for performance; performance of reciprocal promises, appropriation of payments; contracts

which need not be performed; anticipatory breach of contract; actual breach of contract; remedies of breach of contract; doctrine of frustration; various discharges of contracts; Bailment; contract of indemnity and guarantee; Principal and agent; creation of agency; kinds of agents; duties and rights of an agent; duties and rights of principal scope, extent and kinds of agent's authority; liabilities of principal to third party; personal liability of agent to third party; termination of agency.

3. Sale of Goods Act, 1930

Contract of sale and its kinds; formalities of the contract of sale; subject matter of contract of sale; the price, conditions and warranties; transfer of property

as between seller & buyer; the Doctrine of "nemo dare potest quod non-habet" and its exceptions; the Doctrine of "caveat emptor", performance of the

contract of the sale; rights of un-paid seller; suits for breach of the contract of sale; auction sale.

4. Partnership Act, 1932

Essentials and the nature of partnership; kinds of partnership; general duties of partners; qualified duties of partners; rights of partners; liabilities of partners; the Doctrine of implied authority; the Doctrine of holding out; admission of a minor to the benefits of partnership; re-constitution of a firm (incoming & outgoing partners); modes of dissolution of a firm; registration of firm; effect of non-registration.

5. Negotiable Instruments Act, 1881

Promissory note; bill of exchange; cheques; inland instruments; foreign instruments; ambiguous instruments; inchoate stamped instruments; parties to negotiable instruments; liabilities of parties; negotiation of instruments and its kinds; presentment of instruments; discharge from liabilities on negotiable

instruments; presumptions as to negotiable instruments.

SECTION- C

INDUSTRIAL LAWS

8. Factories Act 1934/Workmen's Compensation Act 1923

Provisions regarding health and safety, working hours including rest intervals, working holidays and overtime, employment of women and children etc. Workman's Compensation Act 1923, provisions regarding definitions, employers' liability for compensation, amount of compensation, methods of calculating wages, review, commutation and distribution of compensation, report of fatal accidents, and medical examination etc.

9. Social Security Ordinance, 1965

Provincial Social Security Ordinance 1965: provisions, regarding definitions, amount and payment of contributions, records and returns.

RECOMMENDED BOOKS

| CORE READING | | |
|----------------------------|------------------------|---------------------------------|
| TITLE | AUTHOR | PUBLISHER |
| Mercantile Law | Khalid Mehmood Cheema | Petiwala Book Depot, Karachi |
| Elements of Mercantile Law | N.D. Kapoor | Sultan Chand & Sons, New Delhi. |
| Bare Acts | Government of Pakistan | Government of Pakistan |

