

K. J. SOMAIYA COLLEGE OF SCIENCE AND COMMERCE

Autonomous- Affiliated to University of Mumbai

(Re-accredited "A" Grade by NAAC)

**S. Y. B. Sc.**

**Department of BUSINESS LAW**

**With effect from 2019-20**

## **BUSINESS LAW SEMESTER III COURSE CODE 19UC3BL4**

### **Preamble**

The Second Year Bachelors in commerce is an under graduate course in the faculty of commerce of University of Mumbai. The credit system to be implemented through this curriculum would allow students to develop a strong footing not only in the fundamentals of business law but also in its allied laws and also to specialize in the disciplines of their choices and abilities

**Course Objectives** : This course is designed

To enable students to understand the importance of legal education

To expose students to general business law issues.

To provide the student with the knowledge of legal environment in which a consumer and businesses operate

To understand basic concepts of research and its methodologies

**Course Outcome** : On completion of the course

Students will be able to understand the relevance of business law to individuals and businesses

To assess the correctness of applying specific laws to specific cases

To Identify the fundamental legal principles behind contractual agreements

To apply the basic strategies that can be used to solve legal problems

Students will be equipped with legal knowledge to get absorbed in the industry and learn to settle their disputes with the employer successfully

### **Module I : The Indian Contract Act , 1872**

(15 lectures)

#### **Learning Objectives** :

To understand the meaning of the terms ‘Agreement’ and ‘Contract’

To understand the importance of the essentials of a contract and the classification of contracts

To determine the circumstances in which promises made by the parties shall be legally binding and the enforcement of these rights and duties

To ensure that the rights and obligations arising out of a contract are respected

To provide that legal remedies are made available to an aggrieved party

**Agreement and Contract – meaning and kinds. Essentials of a valid Contract. Offer and Acceptance, Consideration, Capacity to contract, Free Consent, Agreements expressly declared to be void, Contingent contracts, Quasi Contracts, Discharge of a contract and Remedies for breach**

**Learning Outcome:**

**To describe methods of applying principles and provisions of Contract Law**

**To assess the correctness of applying specific sections to specific cases**

**To understand the requirement of contract clauses that are important in structuring contracts**

**To compose simple contracts**

**Module II : Special Contracts and The Sale of Goods Act,1930 (15 lectures)**

**Learning Objectives :**

**To describe a contract of indemnity Guarantee Agency Bailment and contract of Sale**

**To describe the rights and duties of an indemnity holder surety agent Bailor, Bailee and Finder of goods**

**To understand the meaning of an unpaid seller and his rights against the goods and against the buyer**

**(A)Special Contracts**

**1)Contract of Indemnity- meaning , rights and duties**

**2) Contract of Guarantee - meaning , rights and duties**

**3)Contract of Bailment - meaning , Kinds of Bailment ,Rights and Duties of the Bailor and the Bailee**

**4)Contract of Agency – meaning of a Principal, agent and a contract of agency Modes of creation of an Agency, Types of Agents and Modes of termination of an Agency**

**(B) The Sale of Goods Act , 1930**

**1) Definitions , Kinds of Goods, Formation of a Contract of Sale ,Distinction between a Sale and an Agreement to Sell.**

**2) Conditions and Warranties- Definition, Kinds and difference between Condition and Warranty**

**3) Unpaid Seller- meaning , Rights of an Unpaid Seller against the Goods and against the seller**

**Learning Outcome :**

**To know the rationale of specific contracts of Indemnity, Guarantee Bailment agency and Sale**

**To determine what rights and duties parties acquire under such contracts**

**To know the relation such specific contracts have with our day to day commercial activities and their impact**

**To know the circumstances under which performance of such contracts is required or excused**

**To identify the situations that constitute breach of contract in such specific contracts and the remedies available for breach of a contract**

**Module III : The Consumer Protection Act, 1986 and The Competition Act, 2000** **(10 lectures)**

**Learning Objectives :**

**To provide for better protection of the interest and rights of consumers**

**To protect the consumers against Unfair Trade Practices and Restrictive Trade Practices**

**To receive due consideration at appropriate forums**

**To provide speedy redressal for consumer disputes at various consumer dispute redressal agencies set up at District, State and National levels**

**To build upon a student's existing understanding of the competition law, economic and enforcement**

**To provide for an establishment to prevent practices having an adverse effect on competition**

**To promote and sustain competition in markets**

**To ensure freedom of Trade carried on by other participants in markets all over the country**

**Definitions , Doctrine of Caveat Emptor, Ward V Hobbs Case and Objects of the Act. Consumer Rights, Consumer Protection Councils, Consumer Protection Redressal Agencies - District Forum, State Commission, and National Commission: Establishment Composition, Qualifications ,**

**Disqualifications, Tenure, Jurisdiction, Powers & Procedure and Remedies. Objectives of the Competition Act, 2000, Features, Definitions, Prohibition of certain agreements, Abuse of dominant position and Regulation of Combinations, Competition Commission**

**Learning Outcome :**

**Students will have a comprehensive understanding about the existing law on consumer protection in India**

**Students will be conversant with the consumer rights**

**Students will be aware of the basic procedures for handling consumer dispute**

**Students will be able to identify and explain the understanding and function of the Competition and Consumer Protection Act**

**To correctly employ economic principles in identifying markets and market power**

**To demonstrate those principles in evaluating the effect of conduct in more complex circumstances.**

**Module IV : The Limited Liability Partnership Act, 2008 (10 lectures)**

**Learning Objective: To understand the meaning concept extent application and utility LLP**

**To understand the importance of Limited liability**

**To understand the benefits of limited liability over unlimited liability**

**Salient Features of LLP, Difference between LLP & Partnership and LLP and company LLP Agreement, Nature of LLP Partners and Designated Partners, Incorporation documents, Incorporation by Registration, Registered Office of LLP and change therein Change of name, Extent and limitation of liability of LLP and Partners, Whistle Blowing Winding Up and Dissolution of LLP**

**Learning Outcome:**

**To comprehend the concept of Incorporation of Limited Liability Partnership**

**To explain the steps to be undertaken for incorporation**

**To differentiate between a Partner and a Designated Partner**

**To comprehend the extent of liability in LLP  
To develop an LLP agreement**

**Module V : Practical Paper : The Arbitration and Conciliation Act, 1996**

**(10 lectures)**

**Learning Objectives**

**To understand the concepts of Arbitration and Conciliation**

**To recognize the new concepts and procedures of peaceful settlement of disputes**

**To encourage alternate dispute Resolution to settle disputes without litigation**

**Introduction , Arbitration-meaning , Arbitration Agreement ,Arbitral Tribunal and Arbitral Procedure, Jurisdiction of Arbitral Tribunal, Making of Arbitral Award, Termination of Arbitral Proceedings, Conciliation-meaning ,Procedure for commencement of proceedings, Appointment of Conciliator, Conciliation Procedure**

**Learning Outcome: Students will be able to understand**

**Meaning of arbitration and conciliation their classification and how its different from litigation**

**Arbitration agreement ,Arbitral Tribunal and its constitution**

**Commencement of Conciliation process**

**To resolve disputes peacefully and amicably**

## **BUSINESS LAW SEMESTER IV COURSE CODE 19UC4BL4**

### **Module I : Corporate Law**

**(15 lectures)**

#### **Learning objectives**

**To encourage transparency and high standard of corporate governance**

**To recognize new concepts and procedures to facilitate best quality of business by taking into account the interest of stakeholders**

**To cater to the needs of stakeholders by getting time bound approvals and compliance requirements**

**To set up institutional structure in the form of various authorities bodies and panels**

#### **(A)Introduction to Regulatory Framework of Companies**

**Background and salient features of the Companies Act 2013 Overview of the changes introduced by the Act of 2013.Features and Classification of Companies including one person company ,dormant company Distinction between a company and partnership & Public and Private company Lifting of Corporate veil Formation of a Company :Promoters , Certificate of Incorporation**

#### **(B)Documents relating to Formation of Companies**

**Memorandum of Association: Meaning ,contents and Alteration .Articles of Association : Meaning ,contents and alteration , Doctrine of Ultra Vires , Doctrine of Constructive Notice and Doctrine of Indoor Management Prospectus :Meaning , contents and Kinds**

#### **(C)Capital of the Company**

**Various modes for raising of share capital including Private Placement Public Issue Rights Issue Bonus Shares . Allotment of shares : meaning, improper and irregular allotment and consequences of improper allotment. Share certificates : meaning provisions regarding issue of shares certificates- Duplicate share certificates. Share Capital and shares: meaning and its kinds**

#### **(D)Management of Company**

**Director :meaning and legal position. Types of Directors : including Executive ,Non-executive, Independent ,Woman, Additional, Alternate, Interested, Nominee. Appointment of Directors, Qualifications and Disqualifications,**

**Tenure, Number of Directors, Powers ,Duties, Liabilities, Loans to Directors ,Remedies for breach of duties, Removal and Resignation ,Remuneration**

**(E)Company Meetings**

**Meaning and kinds, Conduct of meetings: provisions regarding agenda, notice, quorum, proxies, voting resolution and minutes**

**(F)Winding Up**

**Meaning, dissolution of company , winding Up by the Tribunal, compulsory winding up, Members voluntary winding up , Creditors voluntary winding up**

**Learning Outcomes**

**To learn incorporation rules and procedures for running a company**

**To learn the manner of raising funds roles and responsibilities of the directors**

**To examine the rights and obligations of shareholders including the creditors and the employees**

**Module II: Insolvency and Bankruptcy Code 2016**

**(10 lectures)**

**Learning Objective**

**To consolidate and amend the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals**

**To promote entrepreneurship and availability of credit**

**To improve the ease of doing business and facilitate more investments relating to higher economic development**

**Introduction of the Code, Salient features , key concepts, CIR process by creditors/ corporate applicants, National company Law Tribunal, Insolvency Resolution Process, Committee of Creditors, Payment and waterfall mechanism ,IBBI, Winding up .Learning and opportunities created by the code**

**Learning Outcome:**

**Setting up of Insolvency Professional Entities and recognition of insolvency professionals**

**Confidence in putting good money behind bad money**

**Confidence from entities overseas and foreign funds**

**Module III : Information and Technology Act , 2000 and Intellectual Property Rights**

(15 lectures)

**Learning Objectives :**

**To learn the definitions and specific provisions of the Information Technology Act 2000**

**To know about the various cyber crimes and their consequences**

**To get an overview of cyber crime investigation**

**(A) Information and Technology Act , 2000 :Important Definitions ,Objects of the Act,E-Contract, E-Commerce, E-Governance, E-Business, Digital Signature**

**Cyber Crimes :Hacking, Data Theft, Spreading Virus and worm, Disruption of any computer or network, Cyber bullying, Cyber terrorism, Email frauds, Credit card fraud and Sim Swap**

**Learning outcome : To enable students**

**To understand the various cyber crimes**

**To understand the consequences in case of victimization**

**To understand the procedure of investigation of cyber crimes**

**Learning objectives of IPR :**

**To learn the meaning and duration of patents copyrights and Trade marks**

**To understand their process of registration**

**To know the penalties imposed in case of infringement of intellectual property rights**

**(B)Intellectual Property Rights : General principles of Intellectual Property Rights (i)Copyright :meaning, registration , duration, infringement remedies and plagiarism (ii)Patent : meaning , registration, rights of patentee, Patent and Health , Infringement and remedies (iii)Trademark- meaning and duration**

**Learning outcome of IPR: It will enable students**

**To understand the difference between tangible and intangible properties**

**The importance of registration of intangible properties**

**The grant given by the Government for a fixed duration  
The penal action taken in case of infringement**

**Module IV : The Negotiable Instruments Act, 1881 and Banker Customer Relations (10 lectures)**

**Learning Objectives:**

**To understand the Meaning essentials and kinds of various negotiable instruments negotiation and endorsement**

**To understand the concept of presentment and dishonor of instruments**

**To know the difference between a holder and a holder in due course**

**To understand the relationship between a banker and a customer and the kinds of accounts a customer can hold**

**(A) Negotiable Instrument: meaning, Essentials and kinds. Promissory Notes, Bills of Exchange and Cheque: meaning, essentials and kinds. Dishonour of a cheque. Negotiation: meaning and kinds, Endorsements: meaning and kinds, Holder and Holder in Due Course**

**(B) Banker and Customer Relations : Contract between banker and customer, Protection of Bankers ,Banker's Lien. Customers: Nature and types of accounts ,special classes of customers-lunatics, minor, partnership, corporations and local authorities, Banking duties to customers and banking as a service.**

**Learning Outcome**

**The students will understand**

**The difference between a promissory note Bill of Exchange and Cheque**

**The procedure and criminal liability imposed in case of dishonor of a negotiable instrument**

**The importance of holder in due course over a holder**

**To instill the habit of savings amongst customers**

## **Module V : Practical Paper : Industrial Relations and Welfare Legislation**

**(10 lectures)**

**Learning Objectives :Students will understand**

**The meaning of a factory , manufacturing process worker and occupier under the Act**

**The provisions relating to health safety welfare and hazardous process**

**The obligations of an occupier and the administration of the Factories Act**

**(A)Law relating to Working Hours, conditions of services and Employment**

**The Factories Act, 1948-Definitions , provisions relating to health, safety and welfare. Hazardous Process**

**Learning outcome: It will enable to students**

**To understand the importance of rights of women employees with respect to the provisions of health safety and welfare**

**To know about the importance of gender equality**

**(B) Law relating to Industrial relations**

**Learning Objective**

**To understand the object , meaning of various industrial disputes namely strike, lock out, closure, retrenchment and lay off**

**To understand the procedure , powers and duties of appropriate authorities under the Act**

**To understand the concept of settlement awards and penalties under the industrial disputes Act**

**The Industrial Disputes Act, 1947- Definitions , kinds of industrial disputes- strike, lockout closure, lay off and retrenchment ,authorities , awards and settlements.**

**Learning outcome: The Act will enable students**

**To understand the difference between various disputes under the Industrial Disputes Act**

**To understand the procedure to be applied for settlement of disputes**

**To understand the penalties imposed under the Act**

**(C) Law relating to Women Empowerment and Gender Equality**

**Learning objectives**

**To know about the Applicability and scope of the Act, To know acts which amount to sexual harassment**

**To know about the importance of the Internal Complaints committee**

**To know about the Employers duties and obligations examples, examples of conduct amounting to sexual harassment**

**To know about the punishment and compensation, awarded for frivolous complaints**

**The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act , 2013:**

**-Evolution of the Law on Workplace Sexual Harassment: The Vishakha Judgement, Judgements Post Vishakha.**

**-Key provisions of POSH Act: Applicability and scope, what amounts to sexual harassment, employee, workplace complaints committee, complaint mechanism, Conciliation, Redressal inquiry, Interim relief, punishment and compensation, frivolous complaints, confidentiality, consequences of non-compliance. Employers duties and obligations examples, examples of conduct amounting to sexual harassment**

**-Other laws pertaining to workplace sexual harassment Industrial Employment (Standing Orders) Act, 1946 Indian Penal Code 1860**

**Learning outcome : Students will understand**

**The Acts that amount to sexual harassment**

**Who is protected and who is responsible to provide protection**

**The procedure for filing of complaints and consequences of enquiry into such complaints**

**Evolution and development of anti-harassment legislation in India**

## **Important judgements Vishakha V State of Rajasthan , Medha Lele Kotwal V UOI**

### **EVALUATION**

- (a) Students will have the flexibility to present their ideas of module V in different formats for instance**
- (i) In the form of a case study**
  - (ii) As a Research Based Pedagogical Tool**
  - (iii) As a presentation with a Question / Answer session**
- (b) It was resolved that the evaluation of the course would entail an internal and external component where the external component would be 60 marks and the internal component would be 40 marks.**
- With respect to the 40 marks, the students would be required to use any of the following options**
- (A) The 40 marks would be bifurcated into a written paper carrying 30 marks and an assignment carrying 10 marks**
  - (B) A project which carries a total of 40 marks**
  - (C) A student has the option of taking up online courses like Swayam / NPTEL carrying 40 marks**
- With respect to the 60 marks, the students would be required to**
- a) Attempt short notes carrying 20 marks based on modules I to IV**
  - b) Attempt any four out of six Brief questions and case Laws each carrying 10 marks (Total 40 marks) based on modules I to IV**

**COURSE CREDITS:**

<b>Course Code</b>	<b>Semester</b>	<b>Topic Heading</b>	<b>No of Lectures</b>	<b>No of credits</b>
<b>18UC3BL3</b>	<b>III</b>	<b>The Contract Act,1872</b>	<b>15</b>	<b>4</b>
	<b>III</b>	<b>Special Contracts,1872</b>	<b>15</b>	
	<b>III</b>	<b>The Consumer Protection Act,1986 and The Competition Act, 2000</b>	<b>10</b>	
	<b>III</b>	<b>The Limited Liability Act,2008</b>	<b>10</b>	
	<b>III Practical Module</b>	<b>The Arbitration and Conciliation Act, 1996</b>	<b>10</b>	

<b>Course Code</b>	<b>Semester</b>	<b>Topic Heading</b>	<b>No of Lectures</b>	<b>No of credits</b>
<b>18UC4BL3</b>	<b>IV</b>	<b>The Companies Act,2013</b>	<b>15</b>	<b>4</b>
	<b>IV</b>	<b>Insolvency and Bankruptcy Code, 2016</b>	<b>10</b>	
	<b>IV</b>	<b>The Information Technology Act, 2000 and IPR</b>	<b>15</b>	
	<b>IV</b>	<b>The Negotiable Instruments Act, 1881 and Banker Customer Relations</b>	<b>10</b>	
	<b>IV Practical Module</b>	<b>Industrial Relations and Welfare Legislation</b>	<b>10</b>	



## **SUGGESTED BOOKS :**

**Business Law by Wadhvani**

**The Indian Contract Act, 1872 by Pollock and Mulla**

**Laws relating to Special Contracts by Dr Akhileshwar Pathak**

**The Consumer Protection Act, 1986 by Wadhvani**

**Guide to Competition Act by S.M. DugarAct**

**Indian Competition Law by Versha Vahini**

**The Limited Liability Partnership Act, 2008 by Sanjiv Agarwal and Rohini**

**Agarwal Alternate Dispute Resolution by H.L. Myneni**

**The Companies Act, 2013 by Avtar Singh**

**Guide to Insolvency and Bankruptcy Code, 2016 by V.S. Datey, Insolvency and Bankruptcy Code of India by Ashish Makhija**

**A review of Information Technology Act, 2000 by Yogesh Kolekar**

**Law relating to Intellectual Property Rights by B.L. Wadehra**

**An Introduction to Intellectual Property Rights by M.Venkatraman**

**Commentary on Negotiable Instruments Act,1881 by Jitendra Dabas**

**Industrial and Labour Laws by H.L.Kumar**