BSP1004 Legal Environment of Business

Instructor : A/P Catherine Tay
Session : Semester 2, 2009/2010

Course Objectives

This module is intended to equip students who will be future business managers with legal knowledge that is relevant to commercial transactions so that they can, not only understand the rights and obligations of a business, but also pre-empt potential legal problems by taking appropriate preventive measures. The module will also discuss the interaction between law and ethics and further some comparative and international issues will also be addressed in order to prepare students for the globalised world.

Course outline

Part I

This part introduces the legal environment in which a business operates and topics covered include the relationship between business and law on one hand and ethics and law on the other.

In addition, the different commercial dispute resolution methods, including mediation and arbitration, will be highlighted, the latter being particularly significant in the international business context. The cost effectiveness of these various methods would also be examined.

Further, issues pertaining to legal advice, in particular, the importance of giving proper instructions and how otherwise, the interests of a business may be adversely affected, will also be addressed.
Part II

This part considers one of the first questions that an entrepreneur would face, namely, what sort of vehicle should he choose to run his business. The business structures covered are sole-proprietorships, partnerships, companies, limited liability partnerships and limited partnerships. A cost-benefit approach will be used to highlight the differences between these various structures. In addition, some corporate governance issues and director’s duties will also be addressed when considering companies.

Part III

A business would deal with a whole range of persons, including suppliers, financiers, distributors, marketers, insurers, transporters, warehousers, landlords, contractors, franchisees, agents, employees and consumers. A business’s relationship with all these parties is primarily governed by contract and it is estimated that nearly 85% of business disputes are contractual in nature. Thus it is crucial that a business has good understanding of how contracts work.

Topics covered include general contractual principles as well as contractual principles relating to specific situations such as those relating to the sale of products and services. Contractual and other issues relating to agents such as forwarding agents and insurance intermediaries will also be addressed.

In addition, a sample cross-border contract will be studied so that a business understands the common terms used in contracts, including international contracts.

Part IV

Besides incurring liabilities or acquiring rights under a contract, a business may also incur liabilities or acquire rights on other grounds and this part covers these other grounds.

Topics covered encompass, negligence liability of a business, including that of manufacturers, distributors, importers, developers, contractors, employers, accountants, stockbrokers and bankers.

In addition, the business protection of intellectual property rights (such as copyrights, patents and trademarks), in particular, the protection of goodwill and business name, through an action in passing off, would also be highlighted.
**Reading List**

A. Recommended Textbooks:
   
2. Benny Tabalujan: Singapore Business Law

B. Reference Books

1. Walter Woon: Company Law
2. Andrew Phang: Law of Contract
3. Winfield & Jolowicz – Tort

For those who wish to read up more on an area, they may refer to various other books, listed in Ravi Chandran: Introduction to Business Law in Singapore - 4th edition

C. Cases

Cases from Lexis.com and Law Reports

**Methods of Assessment**

Group Assignment: Answering and Asking questions (x 2) : 20%

Individual Class Participation : 20%

Final examination : 60%

**Group Assignment (10% x 2 = 20%)**

Students will be grouped by their respective tutors in their tutorials into 4 students per group. There are 2 group assignments. Each assignment would be 10%.

There are 2 components to each group assignment. The first component is **answering** the highlighted bold tutorial questions. The second component is **asking questions/comments** about the topic at hand (minimum 4, maximum 8) of the same highlighted bold tutorial questions. Asking questions challenges students to think. The better and
more critical the question / comment, the higher the marks awarded. Students can also discuss the possible solutions to their questions if that is possible / reasonable in the circumstances.

Each group would have to do 2 such group assignments during the semester totaling 20% of the final marks.

Students do not have to present the answers in tutorials. The written group assignment must be submitted to the tutor for grading and the said assignment would be returned to the groups, in the following week.

**Class Participation (20%)**
Students will be assessed for class participation and this includes answering and asking questions in tutorials. It is very crucial that the student participate actively as it would make it more interesting for all. Student’s participation in tutorials will be monitored on a regular basis.

**Final Examination (60%)**
It is an open book written examination of 2 hour duration. Students can bring into the examination hall any material, books or notes, which is not in breach of copyright law. Since it is an open book examination, the emphasis would be on your thinking / reasoning skills.

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