

# **MGT 204: Business Law**

*Full Marks: 100*  
*Pass Marks: 35*

*Lecture Hours: 150*

## **Course Objectives**

This course aims to impart the basic knowledge on legal aspects of business to the students so as to provide with basic understandings of the fundamental concept, principles and Legal frameworks of business to enhance their knowledge and managerial capabilities and apply in the practical field to resolve complex issues and for effective management of business operations. This course familiarizes students with the relevant provisions of various laws influencing business organization and to resolve legal issues in business.

## **Learning Outcomes**

Upon successful completion of this course, students will be able to:

- Familiarize the concept and nature of law and business laws and sources of business law and its importance in Nepalese and global context;
- Understand fundamental concept, principles and Legal frameworks of Business laws;
- Have an understanding of the incorporation, operation and termination of company- voluntarily and compulsorily;
- Understand the system of dispute settlement (competent court system and alternative system - particularly Arbitration);
- Develop competencies to understand the problem and resolve the issues related to the business laws.

## **Course Description**

This course contains various legal frameworks influencing business organizations in national and international context and foundational information about the Nepalese legal system, dispute resolution, and their impact on business as well as the major content of the Constitution of Nepal, State and Federal legal systems. The course covers the laws relating to General Contract and specific contracts, Company, Insolvency, Industrial Enterprises, Foreign Investment & Technology Transfer, Intellectual property, International trade, and dispute settlement systems (court and arbitration).

## **Course Details**

### **Unit 1: Introduction to Law and Business Law**

**10 LHs**

Concept, Nature and characteristic of law; Classification and sources of law; Meaning, characteristics and sources of Nepalese Business Law; Changing dimension of Nepalese Business Law and Constitutional provisions.

## **Unit 2: The Law of Contract and other Liabilities**

**30 LHs**

Meaning, Nature and definition of contract; Essential elements of valid contract; Meaning and Rules regarding offer; Revocation or lapse of offer; Meaning and rules regarding acceptance; Communication of offer and acceptance; Meaning and Rules regarding consideration; Concept and importance of free consent; Flaws of free consent and legal effects of contract caused by the flaws: coercion, undue influence, misrepresentation, fraud, mistake; Concept and importance of legality of objective and consideration- unlawful agreements and void agreement; Meaning and definition of contingent contract; Rules regarding contingent contract and distinguish from wagering agreement; Meaning, essentials, importance and types 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 provisions of Contract and other Liabilities under the *Muluki Dewani Samhita*, 2074; Provisions of other obligations in brief- Lease Contract; Hire-purchase Contract; Quasi contract; Unjust Enrichment; Concept of Torts.

## **Unit 3: Contract of Bailment and Pledge**

**10 LHs**

Bailment: meaning and concept, 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 pawned and Pawnee; Pledge by non- owner.

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

**15 LHs**

Meaning and nature of contract of sale of goods; Difference between sale and agreement to sell Condition and warranty; Doctrine of caveat emptor; Transfer of ownership; Transfer of title by non- owner; Rights and duties of unpaid seller; Buyer's remedies.

## **Unit 5: Contract of Agency**

**15 LHs**

Meaning and general rules of agency; Modes of creating agency; Types of agent; Rights and duties of agent; Personal Responsibility of agent; Right and duties of principal; Delegation of authority; Sub-agent and substituted agent; Termination of agency; Procedure of registration and effect of non-registration of agency in Nepal (under Agency Act, 2014).

## **Unit 6: Contract of Carriage**

**20 LHs**

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; Incoterms- 2020; Carriage by Air.

## **Unit 7: Contract of Indemnity and Guarantee**

**10 LHs**

Meaning of contract of indemnity- Rights and duties of indemnifier and indemnity holder; Meaning and nature of contract of guarantee- Types of guarantee; Difference between

indemnity and guarantee; Rights, duties and liabilities of surety; discharge of surety from liability.

#### **Unit 8: Law of Company and Insolvency**

**10 LHs**

Meaning, nature and incorporation of company; Legal importance and formalities of annual general meetings; Minutes and resolutions of a company; Legal provision regarding BoD's report; Appointment and removal of an auditor; Insolvency of company; Nepalese law of insolvency and feature of Insolvency Act, 2063.

#### **Unit 9: Dispute Settlement Systems**

**10 LHs**

The Court System; The Civil Procedure in Nepal; Meaning, features and importance of arbitration; Appointment of arbitrators; Power and function of arbitrators; Disputes to be settled by arbitration; Major provisions of Nepal Arbitration Act, 2055.

#### **Unit 10: Law of Intellectual property**

**20 LHs**

Concept and Nature of Intellectual property rights; Copyrights Act, 2059 and its major provisions; Patent, Design and Trademark Act, 2022 and its major provisions; Trade Related Aspects of Intellectual Property Rights (TRIPs); Industrial Enterprises Act, 2074 and its major Provisions; Foreign Investment and Technology Transfer Act (FITTA), 2075 and its major provisions.

#### ***Suggested Readings***

- Albuquerque, D Paniel (2013).Legal Aspects of Business (Texts, Jurisprudence and Cases), Oxford University Press, New Delhi.
- Agency Act, (2014). Law Book Management Committee, Kathmandu.
- Arbitration Act, (2055). Law Book Management Committee, Kathmandu.
- Company Act, 2063, Law Book Management Committee, Kathmandu.
- Copyright Act, 2059, Law Book Management Committee, Kathmandu.
- Foreign Investment and Transfer of Technology Act, 2015, Law Book Management Committee, Kathmandu.
- Industrial Enterprise Act, 2073, Law Book Management Committee, Kathmandu.
- Insolvency Act, 2063, Law Book Management Committee, Kathmandu.
- Kalika, S. N. (2018) Principles of Business Law (7<sup>th</sup> Ed.), Buddha Publication, Kathmandu.
- Muluki Dewani Sanhita, 2074, Law Book Management Committee, Kathmandu.
- Nepal Bar Council Law Journal, Nepal Bar Council, Lalitpur, Nepal.
- Nepal Law Review, Faculty of Law, Nepal Law Campus, Tribuvan University, Kathmandu Nepal.
- Patent, Design and Trademark Act, 2022, Law Book Management Committee, Kathmandu.
- Shukla, M.C.,Mercantile Law,S.Chand & Company Ltd, New Delhi, New Delhi.