

Core Course

# Business Law

S.Y. B.Com. Semester-III

Manohar R. Wadhvani

**Dr. Sumathi Gopal**

345.025/WAD'17



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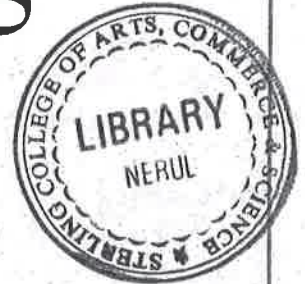


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Prepared as per the Revised Syllabus of Courses of B.Com. Programme at Semester – III with effect from the Academic year 2017–18.

Core Courses (CC)

# BUSINESS LAW



S.Y. B.Com.  
(Semester – III)

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# SYLLABUS...

## Course Courses (CC)

Sr. No.	Modules	No. of Lectures
1.	Indian Contract Act – 1872 Part -I	12
2.	Indian Contract Act – 1872 Part -II	12
3.	Special Contracts	12
4.	The Sale Of Goods Act – 1930	12
5.	The Negotiable Instruments (Ammended) Act 2015	12
<b>Total</b>		<b>60</b>

Sr. No.	Modules
1.	<p><b>Indian Contract Act – 1872 Part – I</b></p> <ul style="list-style-type: none"> <li>Contract – Definition of Contract and Agreement, Essentials of Valid Contract, Classification of Contracts.</li> <li>Offer and Acceptance – Rules of valid offer and acceptance, Counter offer, standing or open offer, distinguish between offer and invitation to offer. Concept of Communication and Revocation of offer and acceptance (sec. 3,5)</li> <li>Capacity to Contract (S. 10-12) – Minor, Unsound Mind, Disqualified Persons.</li> <li>Consideration (S. 2 &amp; 25) – Concept and Importance of consideration, Legal rules of Consideration, Exceptions to the Rule, 'No Consideration No Contract' Ss. 25) Unlawful Consideration (S 23)</li> </ul>
2.	<p><b>Indian Contract Act – 1872 Part – II</b></p> <ul style="list-style-type: none"> <li>Consent (Ss.13, 14-18, 39.53, 55, 66)-Agreements in which consent is not free - Coercion, Undue Influence, Misrepresentation Fraud, Mistake.</li> <li>Void Agreements (S. 24-30) – Concept, Void Agreements under Indian Contract Act.</li> <li>Contingent Contract (S. 31), Quasi Contract (S.68-72), Concept of E- Contract &amp; Legal Issues in formation and discharge of E- Contract. Concept of Performance of Contract (S 37)</li> <li>Modes of Discharge of Contract, Remedies on breach of Contract (73-75)</li> </ul>

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	No. of Lectures
	12
	12
	12
	12
	60

Essentials of Valid

Contract, Counter offer, Invitation to offer, Offer and acceptance

Disqualified Persons. Consideration, Legal Consideration No

which consent is not given, Mistake.

Contracts under Indian

8-72), Concept of Free Contract.

Contract (73-75)

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<b>3.</b>	<b>Special Contracts</b>
	<ul style="list-style-type: none"> <li>• Law of Indemnity &amp; Guarantee (Ss. 124-125, Ss. 126-129, 132-147) – Concept, Essentials elements of Indemnity and Guarantee, Contract of Indemnity vs. Guarantee, Modes of Discharge of Surety.</li> <li>• Law of Bailment (S. 148, 152-154, 162, 172, 178, 178A, 179) – Concept, Essentials of Bailment, Kinds of Bailment, Rights and Duties of Bailor and Bailee.</li> <li>• Law of Pledge – Concept, Essentials of valid Pledge, Lien - concept, Difference between Pledge and Lien, Rights of Pawnor &amp; Pawnee (Ss.173, 174, 177).</li> <li>• Law of Agency (Ss. 182-185, 201-209) – Concept, Modes of creation of Agency, Modes of termination of Agency, Rights &amp; Duties of Principal and Agent.</li> </ul>
<b>4.</b>	<b>The Sale Of Goods Act – 1930</b>
	<ul style="list-style-type: none"> <li>• Contract of Sale (S.2) – Concept, Essentials elements of contract of sale, Distinction between Sale and Agreement to sell (S.4) Distinguish between Sale and Hire Purchase Agreement, Types of Goods. Effects of destruction of Goods (Ss. 6,7,8).</li> <li>• Conditions &amp; Warranties (Ss. 11-25 &amp; 62, 63) – Concept, Distinguish between Conditions and Warranties, Implied Conditions &amp; Warranties, Concept of Doctrine of Caveat Emptor –Exceptions.</li> <li>• Property – Concept ; Rules of transfer of property (Ss. 18-26).</li> <li>• Unpaid Seller (Ss. 45-54, 55 &amp; 56)- Concept, Rights of an unpaid seller, Remedies for Breach of contract of Sale (Ss. 55-61), Auction sale – Concept, Legal Provisions. (S. 64)</li> </ul>
<b>5.</b>	<b>The Negotiable Instruments (Amended) Act 2015</b>
	<ul style="list-style-type: none"> <li>• Negotiable Instruments – Concept (S13), Characteristics, Classification of Negotiable Instruments (Ss. 11, 12, 17-20, 42, 43, 104,134,135) Maturity of Instruments.</li> <li>• Promissory Note and Bill of Exchange (Ss. 4,5, 108-116)- Concept, Essentials of Promissory Note, Bill of Exchange (Ss. 4,5), Essential features of promissory note and Bill of exchange, Kinds Promissory note and Bill of exchange, Cheque (S.6)– Concept, Types &amp; Crossing of Cheque, Distinguish between Bill of Exchange &amp; Cheque, Dishonour of Cheque – Concept &amp; Penalties (Ss. 138, 139,142)</li> <li>• Miscellaneous Provisions (S. 8–10, 22, 99–102, 118–122, 134–137) –Parties to Negotiable instruments Holder, Holder in due course, Rights &amp; Privileges of Holder in due course, Payment in due course, Noting &amp; Protest (99-104A)</li> </ul>



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**MODULE - I : THE CONTRACT ACT 1872 (PART - I)**

1

**DEFINITION AND FORMATION OF A CONTRACT - I**

(Different Kinds of Agreements and Contracts)

**HIGHLIGHTS**

- A. Introduction
- B. Formation of Valid Contract or Meaning, Definition, and Essentials of a Contract
- C. What are the Different Kinds of Agreements?
- D. What are the Different Kinds of Contracts?
- E. What is the Distinction between an Agreement and a Contract?

**A. INTRODUCTION****I. Concept of the Business Law**

What is the business law? The terms 'business', 'commercial', and 'mercantile' are synonymous, meaning one and the same thing. The expression, "Business Law" stands for that body of laws, which regulate the business relations and commercial activities of persons.

The subject-matter of Business Law is very wide, covering all the legal rules, relating to business transactions. Some of these principles of law are well established by mercantile custom and usages of trade. The scope of the Business law, in a nut-shell, is as under :

In particular, the frontiers of the Business Law include the study of the following commercial Acts, viz., (1) The Contract Act, 1872; (2) The Contracts of Indemnity, Guarantee, Bailment, Pledge and of Agency; (3) The Sale of Goods Act, 1930; (4) The Negotiable Instruments Act, 1881; (5) The Companies Act, 1956; (6) The Indian Partnership Act, 1932; (7) Limited Liability Partnership Act; and (8) The Consumer Protection Act, 1986, (9) Competition Act, (10) IPR.

**B. FORMATION OF VALID CONTRACT OR MEANING, DEFINITION, AND ESSENTIALS OF A CONTRACT**

(The law relating to the contracts is contained in the Indian Contract Act; 1872.) It is that branch of law, which lays down the essentials of valid contracts, different modes of discharging the contract and remedies available to the aggrieved party in case of breach of contract. It is the most important branch of business law. It is very important to people in

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# About the Authors

## Prof. Manohar R. Wadhvani

A recipient of three outstanding achievement awards, viz., (1) A GOLD MEDAL as "2004 Meritorious Achievement Award for the Distinguished Services to Society" on 28th August 2004, (2) A SILVER PLAQUE as an "Outstanding Achievement Award" for his "Outstanding Contribution to Legal Literature Including the Human Rights Jurisprudence". Instituted by International Human Rights Foundation, Mumbai, and presented by his Excellency the Vice President of India, Shri Bhairon Singh Shekhawat, on 17th September, 2004 at Sahyadri, Mumbai, and (3) A SILVER PLAQUE on 17th June, 2004 for "Being An Exceptional teacher, Legal Luminary, Author Extraordinary, Consumer Support Advocacy And Exceptional Social Worker". Prof. Manohar R. Wadhvani is an ex-visiting Postgraduate Prof of Law, Dept. of Law, University of Mumbai. He is the most prolific and versatile author of 59 books on diverse subjects in five different faculties of Arts, Science, Commerce, Management, and Law for University education. He has to his credit, as many as twelve books on Law, including his book, titled "The Philosophy And The Law Of Human Rights", with a 'Foreword' by Hon'ble Shri Justice S.P. Bharucha, former Chief Justice of India, and a 'Message' from Hon'able Shri Justice Dalveer Bhandari, former chief Justice, High Court at Bombay, and then elevated to the Supreme Court of India. Prof Wadhvani's book titled "Business Law", reviewed by five Hon'ble Judges of the Supreme Court of India and Bombay High Court, runs into 46th edition. His book titled "The Philosophy and Practice of Human Rights", reviewed by as many as eight Judges of the Bombay High Court and the Allahabad High Court, runs into seven edition. His book, "The A.B.C of the Enlightened Leadership", is described as "an excellent book" by Hon'ble Shri. Justice M.H. Kania former Chief Justice of India. His book "Flowering of Enlightened Personality for Effective Management in three combined volumes is fore worded by Dr. Snehalata Deshmukh, Former Vice Chancellor, University of Mumbai. "Messages" from high dignitaries of India and 40 glowing tributed from Vice Chancellors of University of Rajasthan, National Law School of India, Bangalore, National Law University, Delhi, Pro-Vice Chancellor of Narsee Monjee Institute of Management (Deemed to be university), Director- General, Directors and Principals of Management Institutes, and Arts, Science and Commerce Colleges, Deans and Medical Directors of Hospitals and Medical Colleges, and Directors of Corporations.

Prof. Wadhvani's latest publications, "I can and I will make this Miracle Happen" based on Nobel Laureate Albert Einstein's observation on life, and forewarded by Hon'able Shri Justice Ferdinando Rebello, former chief Justice, Bombay Allahabad High Court, has won 58 glowing tributes from a galaxy of intellectual, bureaucratic, managerial and judicial stars, comprising of Vice Chancellors and a Pro Vice Chancellor of different Universities, Chief Justices of High Courts, Directors- General and Directors of B-Schools, deans and Medical Directors of Medical Colleges and Hospitals, IAS, IPS, and IRS high ranking bureaucrats and Principals of Arts, Science, Commerce, Law, Engineering and Medical Colleges in Maharashtra. His 60th Publication, titled as "50 Un.Common Habits, Traits, Visions and Mission of Effective And Enlightened Leaders", is under preparation.

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