

NATIONAL UNIVERSITY OF SINGAPORE
NUS Business School
Department of Strategy & Policy

BSP1004 X - Legal Environment of Business

Coordinator: A/Prof Catherine Tay

Session: Semester 1, 2014/2015

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 Outcomes

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

1. Understand typical legal issues which may arise in a business and
2. Take appropriate law and non-law related measures to deal with such issues, either before or after such issues arise.

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, warehousemen, 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. Textbooks

Recommended Textbook:

Ravi Chandran: Introduction to Business Law in Singapore – 4th Edition
Or Benny Tabalujan: Singapore Business Law – 5th Edition

B. Reference Books

Walter Woon: Company Law
Andrew Phang: Law of Contract
PS Atiyah - The Sale of Goods

For those who wish to read up more on an area, they may also refer to various other books. A compilation of such books is listed in pages 323-5 of Ravi Chandran: Introduction to Business Law in Singapore – 4th Edition.

C. Cases

Various cases (from Lexis.com) to read would be assigned as the course progresses.

Methods of Assessment

<u>Group Assignment:</u>	20%
<u>Individual Class Participation:</u>	20%
<u>Final examination:</u>	60%

Further Details about Assessment:

As for the group assignment, each group would typically consist of 5 students and if your group members are not cooperating, you can inform me and I will deal with it/them.

There will be 1 group assignment which would consist of 2 parts (10 marks each):

- (a) The first part would be structured and would involve answering highlighted questions in the tutorial. There will be no presentation. It will test among other things, understanding and application.
- (b) The second part would be unstructured. It will test among other things, critical thinking skills. The group can do either one of the following:
 - (i) Ask / make critical questions/comments relating to the tutorial topic (Maximum – 5 questions/comments. The more difficult the question, the better. You can also provide answers to your questions if it is within your means, if not - you need not. Generally better to ask why/how/what if - type of questions rather than scenario based questions)
 - (ii) Discuss an article (e.g. from the Internet) – relating to the topic (Maximum - max: 1000 words. For instance, it could be some news article [local or overseas] from the web and you apply the law as you have learnt it to suggest what the legal [and perhaps even business] outcome is likely to be).

If students forget to do the second part or on the whole they do badly, they will not be given a second chance as it would be unfair to others. **Both parts (a) and (b) are to be handed up together.**

As for class participation, this includes answering and asking questions in the tutorials. It is very crucial that you participate actively. This would make it more interesting for all. It forces you to think on the spot and also builds your confidence. Your participation will be monitored and taken note of on a weekly basis. I cannot emphasise enough the importance of this. However note: mere talking for the sake of it would not reflect well at all on the student. For each session, the grading is as follows:

0	Does not participate or contribute in any way that day.
1	Volunteers or answers when called upon, largely once during that day.
2	Volunteers or answers when called upon or asks questions, more than once and presence felt during that day.
3	Volunteers or answers when called upon or asks questions and impactful contribution to class that day.

As for the final examination, it is an open-book examination (2-hour duration). You can bring in any relevant material which is not in breach of copyright law. Since it is an open book examination, the emphasis would not be on whether you have memorized certain topics. Rather the emphasis would be on your thinking/reasoning skills.

Contacting the Instructor:

If you have any queries regarding the course, *do not hesitate* to see me or email me.

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