BSP1004 Legal Environment of Business

Facilitator : Ravi Chandran
Session : Semester I, 2016/2017

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 take appropriate actions, both before and after the problem arises. The module will also discuss the interaction between law and ethics and further some comparative, international and e-commerce issues will be addressed in order to prepare students for a world which is highly globalised and digitalised.

Course Outcomes

1. Recognise common legal problems that may arise in a typical business setting.
2. Take appropriate measures (both law and non-law related) to deal with such problems after they arise.
3. Take appropriate measures (both law and non-law related) to deal with such problems before they arise.

Course Overview

Part 1

The course starts off introducing 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.

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, limited partnerships and joint ventures. A cost-benefit approach will be used to highlight the differences between these various structures. In addition, some corporate governance issues, director’s duties and insider trading will also be addressed when considering companies.

Part III

A business would deal with a whole range of persons, including suppliers, bankers, 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.

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.

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, trademarks) and confidential information will be examined.

These aside, some other regulations which may affect a business, such as those arising under the Competition Act (and the Workplace Safety and Health Act, Work Injury Compensation Act and Personal Data Protection Act) will also be examined.

Course Schedule
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<tr>
<th>Week</th>
<th>Lecture Topic</th>
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<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
<td>Ethics, Alternate Dispute Resolutions, Dealing with Lawyers and International Comparisons</td>
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<td>2</td>
<td>Business Organisations</td>
<td>Joint Ventures and International Comparisons</td>
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<td>3</td>
<td>Company</td>
<td>Corporate Governance and International Comparisons</td>
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<td>4</td>
<td>Company</td>
<td>Directors’ Duties, Insider Trading and International Comparisons</td>
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<td>5</td>
<td>Contract – Formation</td>
<td>Variation International Comparisons</td>
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<td>6</td>
<td>Contract – Terms</td>
<td>Employment Law and International Comparisons</td>
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<td>Recess Week</td>
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<td>7</td>
<td>Contracts – Vitiating Factors/Parties to the Contract</td>
<td>Anti-Competitive Agreements and International Comparisons</td>
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<tr>
<td>8</td>
<td>Contract – Termination/Remedies</td>
<td>International Comparisons</td>
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<tr>
<td>9</td>
<td>Product Liability</td>
<td>International Sales, International Comparisons and Lemon Law</td>
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<tr>
<td>10</td>
<td>Business Torts /E-commerce</td>
<td>Employment Law and International Comparisons</td>
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<td>Note: E-commerce may either be taught separately or interspersed between the various other topics.</td>
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<tr>
<td>11</td>
<td>Intellectual Property</td>
<td>Trade Marks, Copyright, Patents and</td>
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Confidential Information and Data Protection

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<th>12</th>
<th>Competition</th>
<th>This includes Anti-competitive Agreements and Abuse of Dominant Position</th>
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<tr>
<td>13</td>
<td>Wrap-Up</td>
<td>This includes analysing/understanding a cross-border contract</td>
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Reading List

A. Textbooks

Recommended Textbook:


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 at the end of Ravi Chandran: Introduction to Business Law in Singapore – 5th Edition.

C. Cases

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

Methods of Assessment

Group Assignment: 20%
Individual Class Participation: 30%
Final examination: 50%

Further Details about Assessment:
As for the group assignment, each group would typically consist of 5 students. There will be 1 group assignment which would consist of 2 parts:

(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/critical the question/comment, the better. In relation to questions - you can also provide answers 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. There is a limit so that you only raise the very best of questions/comments – the rest may be raised in the discussion forum or class) or

(ii) discuss an article (eg: from the Internet) – relating to the topic (about 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. You have got to choose the article carefully so that it gives you scope to discuss/show your critical thinking).

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 part (a) and (b) are to be handed up together.

This is a “group project” and hence there should be a collaborative effort. If it suspected that there is no collaborative effort (eg: the writing styles or approaches are very obviously different), marks may be deducted. In addition, there should be no free-riders. Hence if a group member/s has not contributed much to the project, please inform the instructor who will deal with it accordingly.

As for class participation, this includes answering and asking questions in class. 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 please approach this in a positive and friendly manner. Mere talking for the sake of it would not reflect well at all on the student and marks may be deducted. Similarly unhelpful behaviour such as over domination, aggressiveness or mocking at other students may also result in marks being deducted.
Subject to that, for each session, the grading is as follows:

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<tr>
<td>0</td>
<td>Does not participate or contribute in any meaningful way that day.</td>
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<tr>
<td>1</td>
<td>Volunteers or answers when called upon, largely once during that day, but some value in the contribution.</td>
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<tr>
<td>2</td>
<td>Volunteers or answers when called upon or asks questions, more than once and value of presence felt during that day.</td>
</tr>
<tr>
<td>3</td>
<td>Volunteers or answers when called upon or asks questions and impactful contribution to class that day.</td>
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Please note that participation in discussion forums or within groups or sending questions via email (though certainly encouraged) is not counted as class participation.

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.

**Plagiarism**

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is ‘the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.

Additional guidance is available at:

http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct

Online Module on Plagiarism:  
http://emodule.nus.edu.sg/ac/
**Contacting the Facilitator:**

If you have any queries regarding the course, *do not hesitate* to contact your facilitator or use the discussion forum/e-mail.