



SEMESTER:

COURSE: BUS 3010 - BUSINESS LAW

CREDITS: 3 CREDITS

1. COURSE DESCRIPTION

Law supports, facilitates and regulates practically every conceivable aspect of a successful business. For example, to the daily practice of accounting, finance, information systems, management and marketing, law is inescapable and omnipresent. Without the order of law in business, it would simply halt. Consequently, this course serves as a brief introduction to the legal environment of business in Kenya, and examines the basic principles of law of which every student should be aware. The course will also examine the learner's ability to understand the legal principles relevant to businessmen and knowledge of the basic principles of law.

2. LINK TO UNIVERSITY MISSION OUTCOME

The course content for Business Law (BUS 3010) has a direct link to the attainment of the LITERACY outcome. The course also adds value to HIGHER ORDER THINKING and CAREER PREPAREDNESS on the part of the learner in line with UNIVERSITY MISSION outcomes.

3. LINK TO THE SCHOOL OF BUSINESS

The purpose of this course is to furnish learners with a broad survey of the legal framework and environment of doing business. The learner shall be provided with a study of the Kenya legal environment and the main principles of law relevant to business transactions. The legal mechanisms of solving commercial disputes shall be addressed.

4. PROGRAMME OUTCOMES

This course is intended to have the following programme outcomes:

- A. Provide an understanding of the Kenya legal system, in particular sources of business law, and the various legal institutions, in order to give a fuller picture of the role of law in society;
- B. Develop students' capacities to organize and present information and arguments clearly and using concise grammatical language;
- C. Develop students' capacities to analyze insurance, and other contracts and advise their organizations or employers on areas that require reference to legal experts—including matters pertaining to bankruptcy, tort, and negotiable instruments.
- D. Develop students' capacities to understand the way in which principles of contract law, the Sale of Goods Act, agency law; and hire purchase affect the business environment in Kenya;
- E. Develop students' capacities to appreciate their legal obligations as agents of their respective organizations or employers
- F. Develop student's capacity to appreciate their tortious liabilities to clients and competitors and advise their organizations or employers accordingly
- G. Enable students gain sufficient working knowledge of companies registration and partnership and their duties and liabilities as agents of such business entities;
- H. Enable students to identify their rights and liabilities arising from a contract dispute and on the appropriate methods of dispute resolution
- I. Develop students' ability to contribute positively to society;
- J. Applying legal principles in enhancing the design of effective business strategies;

5. COURSE TEXTS

- John Joseph Ogola, *Business Law* (1st Edition Focus Books Nairobi 1999)
- Nisar, Ahmed Saleemi, *General Principles of Law Simplified* (1992)
- Mogare, Oira G, *Labour Laws: Principles, Structures and practice* (2012)

6. BUS 3010 SCHEME OF ASSESSMENT

What follows is the scheme of assessment that will be applicable for the BUS 3010 course for this current Semester:

Assessment 1:	Class attendance & participation	10%
Assessment 2:	Assignments	10%
Assessment 3:	Mid Semester Exam	30%
Assessment 4:	Group Paper	20%
Assessment 5:	Final Exam	30%

7. GRADING

What follows are the general marking bands that shall be applied in accordance with the USIU regulations.

GRADING

90	-	100	A
87	-	89	A-
84	-	86	B+
80	-	83	B
77	-	79	B-
74	-	76	C+
70	-	73	C
67	-	69	C-
64	-	66	D+
62	-	63	D
60	-	61	D-
Below	59	F	

On completion of the course, students will have a sufficient understanding of the main aspects of business law. With this in mind, the teaching and assessments will concentrate on assessing students' grasp of the main principles in the various topics covered each week. Marks are awarded for class attendance and participation. Students are not required to provide detailed analyses of the legal concepts.

As far as practicable, students will have the opportunity to apply their knowledge through practical exercises and case studies. Students will be given guidance through lectures and handouts, and will be expected to carry out their own study of relevant chapters of the course recommended texts, either in groups or individually. Students are also encouraged to share their own experiences in class so as to enrich the teaching experience for everyone as a whole.

8. NOTE TO CANDIDATES

The best answers are those that present a well-structured response to the questions asked during the assessments and also during the group project. The candidate will be able to express ideas extremely clearly and fluently. The candidate will be aware of current developments in business law in Kenya, and also demonstrate an ability to critically appraise those developments. Importantly, the student should be able to work efficiently and effectively with fellow students particularly when undertaking the group project.

Sentences and paragraphs will follow on from each other smoothly and logically. Arguments will be consistently relevant and well structured. There will be few, if any, errors of grammar, punctuation and spelling.

Needless to point out, this course shall be conducted in line with the syllabus, and all in compliance with the official USIU regulations. Therefore requests for make-up regulations or instances on non-attendance of classes shall be dealt with according with laid-down USIU procedures.

9. COURSE OUTLINE

WEEK 1: (Outcome A)

1. The Nature of Law

Learning objectives

After studying this topic, the learner should understand the following main points:

The nature of law

- The ways in which the law may be classified
- The basic principles of legal liability, including distinctions between civil & criminal liability.

WEEK 2: (Outcome A)

2. Sources of Business Law

Learning Objectives:

After studying this topic, the learner should understand the following main points:

- The Kenyan legal system;
- Characteristics of the main sources of law, including legislation, substance of common law, doctrines of equity, African customary law, Islamic law

Texts: Ogola, Chapters 1-2 ; A Hussein, Chapters 1-2 ; T Jackson, Chapters 1-2

WEEK 3: (Outcomes 'C' and 'H')

3. The Law of Contract

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The distinction between a contract and other types of non-binding contract;
- The essential elements of a binding contract;
- The factors which may affect the validity of a contract;
- The ways in which the obligations under a contract may be discharged;
- The remedies available for breach of contract.

WEEK 4: (Outcome 'D')

4. General Principles of sale of goods

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The law governing the contract of sale of goods;
- The distinction between a condition and a warranty as used in a contract of sale of goods;
- The doctrine of caveat emptor and exceptions;
- When property passes from the seller to the buyer;
- The rights and duties of sellers and buyers.

Texts: Ogola, Chapter 7 ; Hussein, Chapter 8

WEEK 5: (Outcome 'E')

5. Agency

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The nature of the agency contract;
- The main duties and rights of the principal and agent;
- The formation and termination of the agency relationship;

Texts: Ogola, Chapter 5 ; Hussein, Chapter 6

WEEK 6: (Outcome 'D')

6. Hire Purchase

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The nature of the Hire Purchase agreement;
- Conditions and warranties implied in a Hire Purchase Agreement;
- The differences between hire purchase and conditional sales and credit sales;
- The rights of the hires and owner

Texts: Ogola, Chapter 8 ; Hussein, Chapter 9

WEEK 7: CLASS 1 Mid-semester exam

WEEK 7: CLASS 2: (Outcome 'G')

7. Company Law

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The types of registered companies and the process of formation;
- The constitution of a registered company i.e. the membership and articles;
- The different types of share capital;
- The membership rights, meetings and protection of minority shareholders;
- The management of a company through the board of directors & their powers and duties;
- The process of winding up a company.

Texts: Hussein, Chapter 3 ; Ogola, Chapter 3

WEEK 8: (Outcome G)

8. Partnership

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The nature of a partnership as a business organization
- The law relating to partnership
- The rights and duties of a partnership
- How to dissolve a partnership

Texts: Ogola, Chapter 6; Hussein, Chapter 7

WEEK 9: (Outcome 'C')

9. Principles of Insurance

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The formation of a contract of insurance;
- Purpose of insurance;
- Classification of insurance;
- Fundamental elements of insurance;
- Regulation of the insurance industry.

Texts: Ogola, Chapter 9 ; Hussein, Chapter 14

WEEK 10: (Outcome 'C')

10. Principles of Bankruptcy

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The purpose of bankruptcy proceedings
- Acts that amount to bankruptcy
- Refusal and disabilities of a person declared bankruptcy

Text: Hussein, Chapter 16

WEEK 11: (Outcome 'C')

11. Torts

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The nature of liability in tort;
- The types of harmful activity for which the law of tort provides a remedy;
- Specific torts;
- The general and specific defenses to an action in tort, and the remedies available where liability is imposed.

Text: Hussein, Chapter 4

WEEK 12: (Outcome 'C')

12. Negotiable Instruments

Learning Objectives

After studying this topic, the learner should understand the following main points:

- The nature and characteristics of negotiable instruments;
- Specific negotiable instruments;
- Parties to negotiable instruments.

Text: Hussein, Chapter 11

WEEK 13

Revision

Presentations

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