

**BUS 115**  
**BUSINESS LAW I**

**COURSE DESCRIPTION**

Prerequisites: None

Corequisites: None

This course introduces the ethics and legal framework of business. Emphasis is on contracts, negotiable instruments, Uniform Commercial Code, and the working of the court systems. Upon completion, students should be able to apply ethical issues and laws covered to selected business decision making situations. *This course has been approved to satisfy the Comprehensive Articulation Agreement for transferability as a pre-major and/or elective course requirement.*  
Course Hours Per Week: Class, 3. Semester Hours Credit, 3.

**COURSE OBJECTIVES:**

Upon completing the requirements for this course, the student will be able to:

- a. Identify the sources of law and describe their effects.
- b. Describe the court system and court procedure.
- c. Describe the nature and classes of contracts.
- d. Identify the elements needed to create a contract.
- e. Read, interpret contracts, and cases.
- f. Discuss the effect of the following upon contracts:
  - 1.) fraud
  - 2.) duress
  - 3.) undue influence
  - 4.) contractual capacity
  - 5.) consideration
- g. Identify and discuss illegal agreements.
- h. Describe the effects of the statute of frauds upon contracts.
- i. Identify personal property and bailments.

**OUTLINE OF INSTRUCTION:**

- I. Introduction of law
  - A. Definition of law
  - B. Objectives of law
  - C. The common law
  - D. Equity
  - E. Sources of law
  - F. Civil verses criminal law
  - G. Tort law
  - H. Ethics

- II. Courts and court procedure
  - A. Functions of courts
  - B. Jurisdiction of courts
  - C. Classification of courts
  - D. Court officers
  - E. Procedures in courts of records
- III. Business crimes and torts
  - A. Crimes
  - B. Torts
- IV. Government regulation of business
  - A. Purpose of regulation
  - B. Administrative agencies
  - C. Antitrust
  - D. Environmental protection
- V. Contracts-nature and classes
  - A. Definition of contract
  - B. Contracts contrasting with agreements
  - C. Classification of contracts
    - 1.) Express and implied
    - 2.) Valid, void and voidable
    - 3.) Executory and executed
    - 4.) Unilateral and bilateral
  - D. Quasi contract
- VI. Offer and acceptance
  - A. Requirements of a valid offer
  - B. The offer
    - 1.) Definition
    - 2.) Parties - offeror - offeree
    - 3.) Three essential elements of a valid offer
  - C. Invitations to make offers
  - D. Duration of an offer
  - E. The acceptance
  - F. Counteroffers
  - G. Inquiries not constituting rejection
  - H. Manner of acceptance
- VII. Defective agreements
  - A. Mistakes
    - 1.) Render agreement defective
    - 2.) Do not affect the validity of the agreement
  - B. Fraud
    - 1.) Definition
    - 2.) Express misrepresentation
    - 3.) Concealment of material facts
    - 4.) Silence when it is one's duty to speak
  - C. Duress
  - D. Undue influence
  - E. Remedies
- VIII. Capacity to contract
  - A. Minors
  - B. Insane persons

- C. Intoxicated persons
- D. Convicts
- IX. Consideration
  - A. Definition
  - B. Nature of consideration
  - C. Adequacy of consideration
  - D. Insufficient or invalid consideration
    - 1.) Promise to perform existing obligations
    - 2.) Forbearance
    - 3.) Past performance
    - 4.) Exceptions to requirement of consideration
- X. Illegal agreements
  - A. Gambling contracts
  - B. Sunday contracts
  - C. Usurious contracts
  - D. Contracts of unlicensed operator
  - E. Contracts for the sale of articles that cannot be the subject matter of an ordinary sale
  - F. Contracts in unreasonable restraint of trade
  - G. Contracts contrary to public policy
- XI. The written contract
  - A. Statute of frauds
  - B. Note or memorandum
  - C. Parole evidence rule
- XII. Third parties and contracts
  - A. Third party beneficiary
  - B. Novation
  - C. Assignment
  - D. Delegation
  - E. Technicalities of an assignment
  - F. Form of assignment
  - G. Effect of an assignment
  - H. Warranties of the assignor
  - I. Joint, several, and joint and several contracts
- XIII. Termination of contract
  - A. Performance
  - B. Discharge by operation of law
  - C. Voluntary agreement of parties
  - D. Impossibility of performance
  - E. Acceptance of breach of contract
  - F. Remedies for breach of contract
  - G. Malpractice
- XIV. Consumer protection
  - A. Traditional protection
    - 1.) Usury laws
    - 2.) Antitrust laws
    - 3.) Regulatory agencies
  - B. Expansion of consumer protection
    - 1.) Product safety
    - 2.) Disclosure and uniformity
    - 3.) Truth in advertising

- 4.) Truth in lending
  - 5.) Product uniformity
  - 6.) Statutes prohibiting unconscionable contracts
  - 7.) Warranty protection
  - 8.) Fair credit reporting
  - 9.) State consumer protection agencies
- XV. Nature of personal property
- A. Personal property
  - B. Methods of acquiring personal property
  - C. Bailments
  - D. The bailment agreement
  - E. Delivery and acceptance

**REQUIRED TEXTBOOKS AND WORKBOOK:**

Brown and Sukys. Business Law With UCC Applications. 11<sup>th</sup> ed. Cincinnati, OH: Southwestern Publishing Company, 2002.

**STATEMENT FOR STUDENTS WITH DISABILITIES:**

Students who require academic accommodations due to any physical, psychological, or learning disability are encouraged to request assistance from a disability services counselor within the first two weeks of class. Likewise, students who potentially require emergency medical attention due to any chronic health condition are encouraged to disclose this information to a disability services counselor within the first two weeks of class. Counselors can be contacted by calling 686-3652 or by visiting the Student Development Office in the Phail Wynn Jr. Student Services Center, room 1309.