

**BUS 116
BUSINESS LAW II**

COURSE DESCRIPTION

Prerequisites: BUS 115

Corequisites: None

This course continues the study of ethics and business law. Emphasis is on bailments, sales, risk bearing, forms of business ownership, and copyrights. Upon completion, students should be able to apply ethical issues and laws covered to selected business decision making situations. Course Hours Per Week: Class, 3. Semester Hours Credit, 3.

COURSE OBJECTIVES:

- a. Define terms relative to bailments, auction sale, warranty, and capital stock.
- b. Identify the exceptions to the normal rule of a common carrier.
- c. Discuss and distinguish between existing and future goods.
- d. List the requirements of the statute of frauds for sales, and explain the exceptions to it.
- e. Describe the nature of the writing required by the statute of frauds.
- f. Explain the importance of determining when title and risk of loss pass.
- g. Explain the application of the law of sales to fungible goods.
- h. Identify the warranties that apply to all sellers and those that apply to only merchants.
- i. Describe the different classification of agents and corresponding authority of each.
- j. Explain the nature of an agency and identify the parties involved.
- k. Distinguish between an agency and independent contractor.
- l. Discuss the objectives and coverage of the Fair Labor Standards Act.
- m. Explain the advantages and disadvantages of the sole proprietorship.
- n. Describe how a partnership is created.
- o. Explain the difference between dissolution and termination of a partnership.
- p. List the different classifications and kinds of corporations.
- q. Identify the ways in which real property can be acquired.

OUTLINE OF INSTRUCTION:

- I. Special bailments
 - A. Carriers
 - B. Liability of common carriers of goods
 - C. Hotel keepers
- II. Sales of personal property.
 - A. Property subject to sale
 - B. Sales and contracts to sell
 - C. Sales of goods and contracts for services

- D. Price
- E. Existing goods
- F. Bill of sale
- G. Illegal sales
- H. International sales contracts
- III. Formalities of a sale
 - A. Multiple purchases and the statute of frauds
 - B. When proof of oral contract permitted
 - C. Nature of the writing required
- IV. Transfer of title and risk in sales contracts
 - A. Potential problems
 - B. Classification of sales transactions
 - C. Transfer of title, special property interests, and risk in particular transactions
- V. Warranties and product liability
 - A. Express warranties
 - B. Implied warranties
 - C. Full or limited warranties
 - D. Warranties of all sellers
 - E. Additional warranties of merchant
 - F. Warranties in particular sales
 - G. Exclusion and surrender of warranties
 - H. Caveat Emptor
 - I. Product liability
 - J. Identity of parties
 - K. Nature and cause of harm
- VI. Nature and creation of an agency
 - A. Importance of agency
 - B. What powers may be delegated to an agent
 - C. Who may appoint an agent
 - D. Who may act as an agent
 - E. Classification of agents
 - F. Additional types of agents
 - G. Extent of authority
 - H. Creation of an agency
 - I. Other employment relationships
- VII. Operation and termination of an agency
 - A. Agent's duties to principal
 - B. Principal's duties to agent
 - C. Agent's liability to third parties
 - D. Principal's duties and liabilities to 3rd parties
 - E. Termination of an agency by acts of the parties
 - F. Termination by operation of law
 - G. Notice of termination
- VIII. Employer and employee
 - A. Creation of employer and employee relationship
 - B. Duties and liabilities of the employer

- C. Common law defenses of the employer
- D. Statutory modification of common law
- E. Liabilities of the employer to third parties
- F. Employee's duties to the employer
- G. Employee's rights
- H. Federal Social Security Act
- IX. Labor Legislation
 - A. The Fair Labor Standards Act
 - B. The National Labor Relations Act and the Labor Management Relations Act
 - C. The Labor-Management Reporting And Disclosure Act
 - D. Civil Rights Act of 1964
 - E. Age Discrimination In Employment Act
 - F. Other Federal Legislation
- X. Introduction to business organization
 - A. Sole proprietorship
 - B. Partnership
 - C. Corporations
- XI. Creation and operation of a partnership
 - A. Partnership agreements
 - B. Partnership firm name
 - C. Partner's interest in partnership property
 - D. Duties of partners
 - E. Rights of partners
 - F. Liabilities of partners
 - G. Nature of partnership liabilities
 - H. Authority of a partner
 - I. Sharing of profits and losses
- XII. Dissolution of a partnership
 - A. Dissolution by acts of the parties
 - B. Dissolution by court decree
 - C. Dissolution by operation of law
 - D. Effects of dissolution
 - E. Notice of dissolution
 - F. Distribution of assets
- XIII. Nature of a corporation
 - A. Classification by purpose
 - B. Classification by state of incorporation
 - C. Formation of a corporation
 - D. Liability on promoter's contracts and expenses
 - E. Issuance of stock
 - F. Articles of incorporation
 - G. Power of a corporation
- XIV. Ownership of a corporation
 - A. Ownership
 - B. Dividends
 - C. Stock certificate

- D. Classes of stock
- E. Kinds of stock
- F. Transfer of stock
- G. Stock options
- H. Laws regulating stock sales
- XV. Management and dissolution of a corporation
 - A. Stockholder's meetings
 - B. Rights of stockholders
 - C. Officers
 - D. Corporate combinations
 - E. Dissolution
- XVI. Nature of real property
 - A. Real property
 - B. Distinguishing real property
 - C. Multiple ownership
 - D. Estates in property
 - E. Other interest in real property
 - F. Acquiring real property

REQUIRED TEXTBOOKS AND MATERIALS:

Brown and Sukys. Business Law With UCC Applications. 11th 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.