

**I. COURSE DESCRIPTION:**

Department Information:

Division: Business & Information Technology

Department: Business Administration

Course ID: BUSAD 210

Course Title: Business Law

Units: 3

Lecture: 3 hours

Laboratory: None

Departmental Advisory: Pass a standardized test or reading comprehension at or above the twelfth grade level; eligibility for ENGL 101

Catalog Description: Exploration of the legal environment, in which, business operates. Includes an introduction to law and legal reasoning, ethics, torts, strict and products liability, criminal law and contracts. Special emphasis is placed on acquiring a working knowledge of the rules for contracting in general and the modifications applicable under the Uniform Commercial Code for the sale of goods.

Schedule Description: Exploration of the legal environment in which business operates. Special emphasis placed on the rules for contracting in general and on the rules under the Uniform Commercial Code for the sale of goods.

**II. NUMBER OF TIMES COURSE MAY BE TAKEN FOR CREDIT: One**

**III. EXPECTED OUTCOMES FOR STUDENTS:**

Upon successful completion of the course, the student should be able to:

- A. The Legal Environment of Business
  1. Introduction to Law and Legal Reasoning
    - a. Discuss the different sources of law in the United States legal system.
    - b. Distinguish between the English Common Law system and the European Civil Law system.
    - c. Explain how to find and understand case law.
    - d. Explain the importance of the English Court of Equity and its impact on requirements for certain remedies that arose in said court.
  2. Business Ethics
    - a. Compare the duty-based approach versus the utilitarian approach to ethical decision-making and be able to discuss the importance of consistency in ethical decision-making.
    - b. Evaluate the potential conflicts that may arise between profit, legality, and ethics in making business decisions.
    - c. Discuss the impact of legislating ethics over the past thirty years and which approach is required in ethics when this is done.
  3. Torts and Strict Liability
    - a. Evaluate disputes as to the presence of wrongful conduct against a person or his property.
    - b. Identify conduct that constitutes the intentional torts of battery, assault, false imprisonment, defamation, invasion of privacy, and intentional infliction of emotional distress.
    - c. Identify conduct that constitutes the intentional torts against property, trespass to land, trespass to personal property, and conversion.
    - d. Identify components of negligence and be able to determine whether all elements are satisfied in particular fact situations.
    - e. Discuss the origins of strict liability and its application to product liability today.

4. Basic Business Torts
    - a. Recognize what conduct constitutes wrongful interference with a contractual relationship and wrongful interference with a business relationship and be able to distinguish between the two.
    - b. Explain the torts of appropriation and disparagement of property.
    - c. Distinguish between slander of quality and slander of title.
    - d. Discuss the purpose of the Racketeer Influenced and Corrupt Organizations Act and examine the problems that have arisen due to the broad interpretation of the statute and the ability to recover treble damages.
  5. Products Liability
    - a. Explain the need to expand strict liability into the area of defective products.
    - b. Compare the requirements that must be proven for a warranty or negligence action to succeed and the requirements to succeed in product liability.
    - c. Identify the defenses to product liability.
    - d. Discuss the definition of defective and how it has been expanded over the years.
    - e. Discuss how this can help regulate unreasonably dangerous products in the market place.
  6. Intellectual Property and Cyberlaw
    - a. Recognize trademarks and related property.
    - b. Discuss the conditions under which patents and copyrights are granted and compare the different protections provided for each.
    - c. Explain trade secrets and how they may be protected.
    - d. Discuss the problems raised in protecting intellectual property in cyberspace.
    - e. Examine the difficulties in enforcing cyberlaw in the international community.
  7. Criminal Law and Procedures
    - a. Identify the essential elements of criminal liability.
    - b. Discuss the crimes that specifically affect business
    - c. Recognize the defenses to criminal liability.
    - d. Discuss the procedures to be followed in the criminal process.
- B. Contracts
1. Nature and Terminology
    - a. Recall the basic elements of a contract.
    - b. Explain the Objective Theory of contracts.
    - c. Identify the different types of contracts.
    - d. Discuss the function of contract law.
    - e. Describe the rules for the interpretation of contracts.
    - f. Differentiate between the different types of contracts.
  2. The Agreement
    - a. Distinguish between mere invitations and offers.
    - b. Identify when the offer becomes outstanding.
    - c. Distinguish between a normal offer and an option.
    - d. Calculate when the offer terminates.
    - e. Explain what constitutes an acceptance and when it becomes effective
    - f. Analyze facts given and be able to determine whether an agreement has taken place.
  3. Consideration
    - a. Recognize whether each party has provided legally sufficient

- consideration in the agreement.
  - b. Recognize whether the consideration given is a pre-existing duty, past consideration, inadequate, or illusory.
  - c. Discuss whether the court might enforce the promise even without mutual consideration present.
  - d. Recognize the presence of forbearance in disputes.
4. Capacity
- a. Identify the presence of a minor in a contractual situation.
  - b. Explain what constitutes contractual capacity.
  - c. Distinguish between voluntary intoxication and involuntary intoxication.
  - d. Describe the meaning of ratification and how it affects a minor.
  - e. Analyze fact situations and be able to determine the rights of a minor.
  - f. Distinguish between the rights of a person who is physically incompetent and one who is adjudicated incompetent.
5. Genuineness of Assent
- a. Distinguish between unilateral and bilateral mistakes.
  - b. List the four elements of fraud.
  - c. Analyze fact situations and determine whether the requirements for fraud are satisfied.
  - d. Distinguish between duress and undue influence.
  - e. Explain adhesion contracts and unconscionable contracts.
6. Legality and the Statute of Frauds
- a. Explain what contracts in restraint of trade are and what exceptions are permitted.
  - b. Discuss usury, gambling, contracts against public policy, and problems with licensing.
  - c. Identify contracts that are required to be in writing under the statute of frauds to be enforceable.
  - d. Discuss the exceptions to the statute of frauds and the justification for said exceptions.
  - e. Describe the significance of the Parol Evidence rule.
7. Third Party Rights
- a. Recognize an assignment.
  - b. Discuss the rights of all three parties when an assignment occurs.
  - c. Identify a third party beneficiary contract.
  - d. Distinguish between a contingent and a vested future interest.
8. Performance and Discharge
- a. Identify an anticipatory breach.
  - b. Explain the right to reaffirm.
  - c. Distinguish between a condition precedent, a condition concurrent, and a condition subsequent.
  - d. Differentiate between a material and an immaterial breach.
  - e. List the ways a duty could be discharged other than by performance.
9. Breach of Contract and Remedies
- a. Distinguish between compensatory, consequential, nominal, and punitive damages.
  - b. Discuss the unique requirements to qualify for the equitable remedies of specific performance, injunction, reformation, and rescission.
  - c. Discuss the different excuses that would excuse a breach.
  - d. Distinguish between the excuses of prevention and frustration of purpose.

- C. Sales and the Uniform Commercial Code (UCC)
  - 1. The Formation of Sales Contracts
    - a. Explain the significance of the Uniform Commercial Code.
    - b. Describe the modifications the Uniform Commercial Code makes to the rules for forming contracts.
    - c. Define the sale of goods.
    - d. Discuss the purpose for modifying the rules.
  - 2. Title, Risk of loss, and Insurable Interest
    - a. Explain the process of identification and its importance.
    - b. Identify when title passes from the seller to the buyer in a sales transaction.
    - c. Explain when risk of loss passes to the buyer.
    - d. Tell when an insurable interest arises in the buyer for the first time.
    - e. Explain the rules for a bulk transfer.
    - f. Evaluate the rights of a party in new fact situations.
  - 3. Performance of Sales Contracts
    - a. Discuss the good faith requirement.
    - b. Discuss the special rights and remedies provided to the seller and buyer under the Uniform Commercial Code which were not present prior to the adoption of the Code.
    - c. Evaluate the rights of the parties in performance disputes under the Uniform Commercial Code.
    - d. Explain the modification to the rule on anticipatory breach under the Code.
  - 4. Remedies for Breach of Sales Contracts
    - a. Discuss the different remedies available to the buyer in case of a breach by the seller and their special requirements.
    - b. Discuss the different remedies available to the seller in case of a breach by the buyer and their special requirements.
    - c. Evaluate disputes to determine the most appropriate remedy available in a given circumstance.
    - d. Explain the significance of a liquidated damage clause.
    - e. Explain the importance of an arbitration clause.
  - 5. Warranties
    - a. Describe the different elements of the implied warranty of title.
    - b. Differentiate between express warranties and implied warranties.
    - c. Discuss the scope of the implied warranty of merchantability and the implied warranty of fitness for particular purpose.
    - d. Explain the importance of waiver in the area of warranties, especially "As Is" waivers in California.
    - e. Evaluate the rights of the parties in a dispute over the performance of certain goods.

**IV. CONTENT:**

- A. The Legal Environment of Business
  - (1) Introduction to Law and Legal Reasoning
  - (2) Business Ethics
  - (3) Torts and Strict Liability
  - (4) Basic Business Torts
  - (5) Products Liability
  - (6) Intellectual Property and Cyberlaw
  - (7) Criminal Law and Procedures
- B. Contracts
  - (1) Nature and Terminology

- (2) Agreement
- (3) Consideration
- (4) Capacity
- (5) Genuineness of Assent
- (6) Legality and the Statute of Frauds
- (7) Third Party Rights
- (8) Performance and Discharge
- (9) Breach of Contract and Remedies
- C. Sale of Goods and the Uniform Commercial Code
  - (1) The formation of Sales Contracts
  - (2) Title, Risk of Loss, and Insurable Interest
  - (3) Performance of Sales Contracts
  - (4) Remedies for Breach of Sales Contracts
  - (5) Warranties

**V. METHODS OF INSTRUCTION:**

This course may be taught on campus or on other remote sites with 48 hours of contact devoted to:

- A. Lecture
- B. Discussion
- C. Group activities
- D. Multi-media
- E. Projects
- F. Guest speakers
- G. Internet research

**VI. TYPICAL ASSIGNMENTS:**

- A. Read text and /or CD and other sources
  - 1. Read chapter on formation of a valid agreement in text.
  - 2. Participate in class discussion on the requirements for a valid agreement
- B. Writing, critical thinking problem solving.
  - 1. Have Students solve hypothetical questions presented at the end of the chapter and determine whether facts presented constitute a valid agreement. Can be done individually or as small group project. Solutions to be presented as persuasive written essays.
    - Example question:  
Ball writes Sullivan and inquires how much Sullivan is asking for a specific forty-acre tract of land Sullivan owns. In a letter received by Ball, Sullivan states, "I will not take less than \$60,000 for the forty-acre tract as specified." Ball immediately sends Sullivan a telegram stating, " I accept your offer for \$60,000 for the forty-acre tract as specified." Discuss whether Ball can hold Sullivan to a contract for sale of the land.

**VII. EVALUATION:**

- A. Methods of Evaluation
  - 1. Objective-style testing in weekly quizzes, group tasks, midterm, and final examinations.
    - a. Typical exam question:  
When an offeror asks for an act as a sign of acceptance we have a \_\_\_\_\_ offer.
  - 2. Essay-style testing in weekly quizzes, group tasks, midterm, and final examinations.
    - a. Typical exam questions:
      - 1. Explain the concept of an Option and what is necessary to make it enforceable.

2. Analyze whether or not a valid contract exists is hypothetical problem like above in typical assignment example.
  3. Term projects involving research, synthesis, and writing which focuses on a specific legal problem arising in the business context.
  4. Weekly written homework analyzing hypothetical problems using standard rules of punctuation, spelling, and grammar.
  5. Small group activities focusing on analyzing legal rights and duties of parties in different business situations.
- B. Frequency of Evaluation
1. Minimum of one midterm and one final
  2. Quizzes as deemed appropriate throughout the semester

**VIII. TYPICAL TEXT(S):**

- A. Clarkson, K. W., Miller, R.L., Jentz, G.A., and Cross, F.B. (2004). West's Business Law (Ninth Edition). St. Paul, MN: West Legal Studies in Business, A division of Thomson Learning.
- B. Cheeseman, Henry R. (2004) Business Law (Fifth Edition). Upper Saddle River, New Jersey: Pearson Education Inc. Pearson Prentice Hall.
- C. Roszkowski, Mark E. (2002) Business Law Principles, Cases, and Policy (Fifth Edition) Upper Saddle River, New Jersey: Prentice Hall.

**IX. OTHER SUPPLIES REQUIRED OF STUDENTS: None**