

MGT 314: Legal Environment of Business

Credits: 3
Lecture Hours: 48

Course Objective

The thrust of this course is to introduce legal concepts and reasoning that the student can apply in a business context. This is much more than merely studying laws; this course is the study of how laws come to be and how they are applied in business. A special emphasis will be given to master “legal jargon” in order to better understand legal concepts and materials. The objective of the course is thus to provide students with a sound understanding of major laws affecting the operation of business enterprises in the context of Nepal.

Course Description

The course is broken up into three distinct sections. In the first part, the concept of legal environment, sources of business laws, and the format, structure and operating practicality of the court systems in Nepal will be discussed. The second part deals with contracts, sale of goods, agency, different forms (types) of doing business, areas of regulatory relationship, and arbitration laws. The final section is an overview of different types of laws, different areas of law, and issues relating to business ethics in Nepal.

Course Details

Unit 1: The Basics of Legal Environment and Court System

LH 7

Concept and importance of legal environment; Nature, types and sources of law; Meaning and sources of business law in Nepal; The court system - structure, powers, organization and jurisdiction of the court systems; Civil procedures in Nepal; Provisions of the Nepalese Constitution pertaining to business; Changing dimensions of legal environment in Nepal

Unit 2: Nepalese Contract Law

LH 11

Concept of contract; Valid, void and voidable contracts; Essentials of a valid contract; Offer and acceptance; Consideration; Free consent; Contingent contract; Performance of contract; Termination of contract; Breach of contract and remedies; Meaning of bailment and pledge; Rights and duties of bailor/bailee and pledger/pledge; Pledge by non-owner; Finder of lost goods; Discharge of liability; Contract of indemnity and guarantee; Rights and duties of surety.

Unit 3: Sale of Goods

LH 4

Meaning and feature of the contract of sale of goods; Types of goods; Conditions and warranties; Transfer of ownership; Unpaid seller; Suits of breach of the contract; Performance of the contract of sale of goods.

Unit 4: Agency and Business Organization

LH 11

Law of agency: Creation and modes of agency – Classification of Agents – Relation of Principal and Agent – Rights and duties of agents, sub-agents, principal, substitute agent; Relation of Principal with Third Party – Personal liability of Agent – Termination of Agency; Classification of companies; Formation and incorporation, registration, memorandum and articles of association, prospectus, shares and share capital, borrowing powers - debentures, board of directors and board meetings, minutes and resolution, auditing, dissolution, winding up, liquidation; Arbitration - powers of arbitrator, duties of arbitrator, revocation of arbitrator's authority.

Unit 5: Legal and Regularity Compliance

LH 15

Industrial Enterprises Act, Foreign Investment and Transfer of Technology Act, Financial Institutions Act, Insurance Act, Cyber Laws, Legal provisions relating to negotiable instruments, Employment and Labour Laws, Acts and regulations relating to Securities and Stock Exchange, Laws relating to Intellectual Property Rights, Right to Information Act; Consumer Protection Act; Environment Protection Regulations; Ethics essentials - business ethics issues in Nepal.

Reference Books

Wagle, Rishikesh and Pant, Kirti Bilas, *Legal Environment of Business in Nepal*, Ratna Pustak Bhandar.

Kalika, S. N. *Business Law*, Buddha Academic Enterprises Pvt. Ltd.

Pant, Prem R. *Business Environment in Nepal*, Buddha Publications.

Ashwathapa K, *Legal Environment of Business*, Himalaya Publication, Delhi

Albuquerque, Daniel, *Legal Aspects of Business*. New Delhi: Oxford University Press.

Nepal Acts and Regulations (collection in several volumes).