DEPARTMENT OF BUSINESS MANAGEMENT

PREFACE

Course : MBA I Year I SEM
Academic Year : 2016-17
Name of the Subject : BUSINESS LAW AND REGULATION
Prescribed Textbook : AKHILESHWAR PATHAK- Legal Aspects of Business
Nature of the Subject: Common Paper

(Students must read text book. Faculty is free to choose any other cases)
Course Aim: The aim of this course is to enable students understand legal and regulatory framework for doing business in India.

Learning Objective: After going through the text and case lets in terms of various court judgments, the students should be able to understand the formalities involved in incorporating a company and the nuances related to the Law of Contract. The student will also be able to know the implications of direct and indirect taxes, negotiable instruments Act and also about the cyber laws.

Unit-I

Law of Contract: Nature of contract and essential elements of valid contract, Offer and Acceptance, Consideration, Capacity to contract and free consent, Legality of object. Unlawful and illegal agreements, Contingent contracts, Performance and discharge of contracts, Remedies for breach of contract.
Contracts-II: Contract of Agency, Sale of goods Act -1930: General Principles, Conditions & Warranties, Performance of Contract of Sale.

Objective: The objective is to facilitate the students to get an idea of law of contract, legal objectives and remedies of breach of contract.
Outcomes: Students get an idea of formation of contracts and their legal objectives & remedies to contract.
Overview: Law means a set of rules. It may be defined as the rules of conduct recognized and enforced by the state to control and regulate the conduct of people, to protect their property and contractual rights with a view to securing justice, peaceful living and social security. Essential Elements of a Valid Contract: Offer & Acceptance, Intention to create a legal relationship, Lawful consideration – (advantage/benefits moving to & from - between the two parties), Capacity (Competency) of Parties – (age/sound mind/not disqualified to enter), Free & Genuine consent of the parties – (undue influence, fraud, misrepresentation may cause absence of free consent), Lawful Objects, Must not have been expressly declared Void, Certainty & possibility of performance, Legal Formalities.
In this unit the performance of contract, discharge of contract and remedies for the breach of contract will be discussed in detail.

Unit-II

Negotiable Instruments Act - 1881: Negotiable Instruments- Promissory Note, Bills of Exchange, & Cheque, and their definitions and characteristics, Types of endorsements, Holder- Holder in due course.

Objective: The objective of the concept of negotiable instruments act 1881, types of instruments, types of endorsements and their discharges.
Outcomes: To know various kinds of negotiable instruments, characteristics and endorsements.
Overview: The Negotiable Instruments Act was enacted, in India, in 1881. Prior to its enactment, the provision of the English Negotiable Instrument Act were applicable in India, and the present Act is also

based on the English Act with certain modifications. It extends to the whole of India except the State of Jammu and Kashmir. The Act operates subject to the provisions of Sections 31 and 32 of the Reserve Bank of India Act, 1934. Section 31 of the Reserve Bank of India Act provides that no person in India other than the Bank or as expressly authorized by this Act, the Central Government shall draw, accept, make or issue any bill of exchange, hundi, promissory note or engagement for the payment of money payable to bearer on demand.The term, negotiable instrument means a written document which creates a right in favour of some person and which is freely transferable. Although the Act mentions only these three instruments (such as a promissory note, a bill of exchange and cheque).

Unit-III

Discharge of Parties: Direct and Indirect Tax: Income Tax Act -1961 - Important Provisions of Income Tax Act: Assessment year –Assesses, Gross Total Income, Procedure for advance payment of tax and tax deducted at source. Assessment procedure. Consumer Protection Act 1986, Definitions, Nature and Scope of remedies available to the consumers, Basic concepts of VAT.

Objective: To understand important provisions of Income Tax act 1961, assessment procedure, calculation of total income, calculation of deductions

Outcomes: Students come to know various types of taxes, the imposing authorities and calculations.

Overview: A tax may be defined as a "pecuniary burden laid upon individuals or property owners to support the government, a payment exacted by legislative authority. A tax "is not a voluntary payment or donation, but an enforced contribution, exacted pursuant to legislative authority". Taxes consist of direct tax or indirect tax, and may be paid in money or as its labour equivalent (often but not always unpaid labour). India has a well developed taxation structure. The tax system in India is mainly a three tier system which is based between the Central, State Governments and the local government organizations.

A Direct tax is a kind of charge, which is imposed directly on the taxpayer and paid directly to the government by the persons (juristic or natural) on whom it is imposed. A direct tax is one that cannot be shifted by the taxpayer to someone else.

An indirect tax is a tax collected by an intermediary (such as a retail store) from the person who bears the ultimate economic burden of the tax (such as the customer). An indirect tax is one that can be shifted by the taxpayer to someone else. An indirect tax may increase the price of a good so that consumers are actually paying the tax by paying more for the products.

Unit-IV

Cyber Crime and the Legal Landscape-the world-Why do we need cyber laws in the Indian context- indina IT act-challenges to Indian Law and cyber crime scenario in India. (Refer Nina Godbole & Sunit, Foreign Investment Promotional Board(FIPB), FDI in E-commerce and Retail, Entry-related issues.

Objective: To understand the concept of cyber crime, important acts, IT act and challenges, cyber crime in India.

Out come: This study helps students to get an idea of cyber laws and the need and importance.

Overview: Cyber law can be described as that branch of law that deals with legal issues related to use of inter-networked information technology. In short, cyber law is the law governing computers and the internet. The growth of Electronic Commerce has propelled the need for vibrant and effective regulatory mechanisms which would further strengthen the legal infrastructure, so crucial to the success of Electronic Commerce. All these regulatory mechanisms and legal infrastructures come within the domain of Cyber law. Cyber law is important because it touches almost all aspects of transactions and activities on and involving the internet, World Wide Web and cyberspace. Every action and reaction in cyberspace has some legal and cyber legal perspectives.

Cyber law encompasses laws relating to – Cyber crimes, Electronic and digital signatures, Intellectual property, Data protection and privacy.

Unit-V

Companies Act, 1956: Steps and procedure for incorporation of the company, Appointment of Directors, Powers, duties, & liabilities of Directors, Company Meetings, Resolutions, Winding-up of a Company.

Objective: Understand companies Act- 1956, process of starting a company, appointment of directors, their responsibilities and winding up of a company.

Out Come: Students will come to know the process of establishing a company and its last step of winding up.

Overview: The Companies Act, 1956 constitutes the Company Law in India. It came into force with effect from 1st April, 1956. It is a consolidating Act which presents the whole body of the company law in a complete form and repeals earlier Companies Act and subsequent amendments. It contains 658 sections and XV schedules and numerous forms. Company Law is fast developing in order to protect joint stock companies.

Main objectives of Company law are: To protect the interest of shareholders, to safeguard interest of creditors, to help the development of companies in India on healthy lines, to help the attainment of ultimate ends of the social and economic policy of the government, to equip the government with necessary powers to intervene directly into affairs of a company in public interest.

SECTION-A	SECTION-B	SECTION-C
(Dr. V. Pandurangaiah)	(Mr. N. N. K. Sandilya)	(Dr. V. Pandurangaiah)

HOD	PRINCIPAL
(Mr. G. Naveen Kumar)	(Dr. V. S. K. Reddy)