

# Grays Harbor College

BUS& 201

Business Law

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## Course Description

A study of the United States legal system, institutions and processes. Principles of the law of contracts, sales, property, negotiable instruments, secured transactions agency and business organizations. Includes legal reasoning. 5 credits. Satisfies specified elective requirement for the AA degree.

Prerequisites: READING 080, or instructor permission

## Textbook

Fundamentals of Business Law Summarized Cases, 7th Edition

Roger LeRoy Miller - Institute for University Studies, Arlington, Texas

Gaylord A. Jentz - University of Texas at Austin, Emeritus

ISBN-10: 0324381689 ISBN-13: 9780324381689

864 Pages Paperbound

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Methods of Instruction: Lectures, class discussion, group problem-solving in class, internet video and web based resource supplements. Quizzes, homework problems, final exam.

## Aims and Objectives

The goals of the course are to: 1) to provide an understanding of the legal system of the United States, 2) to develop and improve the ability to communicate with attorneys and others involved in the legal system and 3) to become familiar with and achieve understanding of the basic legal rules and principles most often applied to business transactions..

## **Course Outline**

- I. Introduction to American Law and Dispute Resolution
- II. Ethics and the Law of Torts
- III. Intellectual Property and Criminal Law
- IV. Contracts: Formation, Agreement and Consideration Requirements
- V. Contract Requirements: Capacity, Legality. Contract Defenses
- VI. Contracts: Third Parties, Breach and Remedies
- VII. Contracts: E-Contracts and Contracts for Sale of Goods, UCC Article 2
- VIII. Agency Relationships and Employment Law
- IX. Business Organizations: Proprietorships, Partnerships, Limited Liability Companies and Corporations
- X. Negotiable Instruments and Personal Property, Bailments, and Special Topics

## **Learning Outcomes**

### **I. Introduction to Law and Dispute Resolution**

Define and describe:

Law as a set of rules

The rule of law concept

Sources of American law compared

Common law tradition

Case law interpretation principles

Purposes of a constitution

Equity as a branch of law

Civil and criminal purposes

Adversary system of dispute settlement

Jurisdiction concept: personal and subject matter

Long arm jurisdiction

Pretrial steps: complaint, answer, discovery

Time restrictions: statute of limitations, the answer

Jury purposes, voir dire system,  
Burden of proof in civil or criminal cases  
Trial and appellate courts purposes  
Procedural and substantive bases for appeal  
Alternative Dispute Resolution methods

## **II. Ethics and torts**

Define and describe:  
How ethics relates to law  
Sources of ethical principles  
Rules ethics and relativist ethics  
Ethics importance for profitability  
Definition of tort law  
Purposes of tort law  
Intentional torts, negligent tort and strict liability compared  
Intentional torts: interference with contract, interference with business relations, business interruption, fraud, battery, false imprisonment, assault, defamation, invasion of privacy  
Negligence elements and defenses  
Comparative negligence  
Strict liability elements  
Products liability elements

## **III. Intellectual and Criminal Law**

Concept of legal rights in property  
Intellectual property law protections:  
Patents, Copyrights, Trademarks,  
Trade Secrets  
Requirements to establish intellectual property rights  
Infringement principles  
International rules for intellectual property  
Duration of intellectual property rights  
Concept of criminal law  
Purposes of Criminal law  
Statutory and constitutional framework  
Burden of proof  
Crimes at common law, homicide, robbery, burglary, theft, larceny, arson  
Business related crimes, fraud, money laundering, insider trading, racketeering,

## **IV. Contracts formation, agreement and consideration**

Define and describe  
Legal contract  
Quasi-contract  
Common law and statutory contract rules  
Rules for interpretation of terms  
Functions of contract law  
Four requirements of a valid contract

Requirements for an agreement  
Freedom of contract and freedom from contract  
Formal and informal  
Offer and acceptance  
Express and implied  
Bilateral and unilateral  
Consideration concept  
Past consideration  
Consideration in debt settlement

#### **V. Contract requirements: Personal Capacity, Defenses, Writing Requirement**

Capacity as related to accountability  
Capacity categories: minors, mentally incompetent, intoxication  
Contrary to legal purpose: torts, crimes, public policy  
Mistake, mutual, unilateral, mistake of kind or value  
Duress  
Undue Influence  
Fraud, requirements  
Written contract requirement  
Statute of Frauds situations, real estate, sales of goods, contracts for  
Benefit of third parties, long term contracts  
Integrated contracts and the Parol Evidence Rule

#### **VI. Contracts: Third parties, Breach and Remedies**

Concept of third party rights in a contract  
Assignments and third party beneficiary compared  
Assignable and non-assignable contracts  
Methods of assignment: contract and gift  
Liability effects on assignor, effect of notice to original parties  
Novation and effect on parties' rights  
Third party beneficiary created by original intention  
Liability effect on original parties

#### **VII Contracts: Electronic Contracts and Contracts for the Sale of Goods**

Online contract formation, click-on, browse-wrap, shrink-wrap  
Federal and state e-signature statutes  
Uniform electronic transactions Act  
Federal e-sign act  
Notarization  
Concept of sales of goods contract  
Uniform Commercial Code Article 2  
Classifications of goods, services, merchants  
Formation rules, open term rules, additional term rules  
Merchants firm offer rule

Acceptance by act or promise  
Consideration requirement for contract modifications  
Parol evidence rule exception  
Unconscionability concept and requirements  
CISG rules for international sales contracts

### **VIII. Agency relationships and Employment Law**

Basic agency concept  
Agents and independent contractors  
Agency formation by agreement, estoppels, ratification  
Agent's duties to principal, principal's duties to agents  
Liability in contract situations  
Liability for torts and crimes  
Methods of termination of agency relationship  
Employment at will concept and exceptions  
Wage and hour statutes, age, hours, wages  
Employment discrimination  
Worker health and safety rights  
Income security statutes  
Labor union statutes

### **IX. Business Organizations: Proprietorships, Partnerships, Limited partnerships, LLP companies and Corporations**

Sole proprietorship, advantages and disadvantages  
Partnership concept, uniform partnership act  
Partnership rights and liabilities, property, contracts, torts, compensation  
Partnership duties of loyalty and care, authority to contract  
Dissolution methods: agreement, dissociation, death incapacity, and bankruptcy  
Limited partnership concept  
Liability of general and limited partners  
Limited liability partnerships, advantages, family LLPs  
Supervising partner's liability  
Limited liability limited partnership concept, advantages, disadvantages LLLP  
Limited liability company, LLC, concept as hybrid of partnership and corporation  
Specialized business form concepts: joint venture, syndicate, joint stock company, business trust, cooperative, franchise  
Corporation concept, advantages and disadvantages  
Corporate powers, express, implied, ultra vires doctrine  
Corporation classifications, domestic, foreign and alien, public vs. private, close, subchapter S, professional corporation with limited or unlimited liability, non-profit  
Basic incorporation procedures: articles requirements, charter, meetings

### **X. Negotiable Instruments, Personal property and special topics**

Negotiable instrument concept  
Applicable Statute: UCC articles 3 and 4  
Types of instruments: orders to pay, promises to pay

Six requirements of negotiability  
Transfers by assignment or by negotiation concepts  
Indorsement options  
Holders and holders in due course concepts  
Signature liability rules  
Warranty liability rules  
Personal and real defenses  
Property rights concept  
Real and personal property  
Methods of property ownership transfer  
Bailment principles  
Lost and found property  
Secured Transactions, concept and Article 9



**Method of Evaluation:** Grading will be based on the following: Three quizzes (60%), Final exam (20%), Homework (10%) and Attendance (10%).