

**College of Micronesia-FSM
P. O. Box 159
Kolonia, Pohnpei FM 96941**

Course Outline Cover Page

Business Law
Course Title

BU 271
Department and Number

Course Description:

An introduction to the law of contracts and our legal systems as it relates to agency and employment, property and government regulation. An overview of the basic law and principles of court organization and a survey of tort law as applied to both FSM and the US government is provided. The law of sales and commercial paper is explained in detail.

Course Prepared by: Business Administration **State:** Pohnpei-national campus

	Hours per Week	x	No. of Week	=	Total Hours	=	Semester Credits
Lecture	<u>3</u>	x	<u>16</u>	=	<u>48/16</u>	=	<u>3</u>
Laboratory	<u> </u>	x	<u> </u>	=	<u> </u>	=	<u> </u>
Workshop	<u> </u>	x	<u> </u>	=	<u> </u>	=	<u> </u>
Total Semester Credits							<u>3</u>

Purpose of Course:

Degree Requirement	
Degree Elective	
Certificate	
Remedial	
Other (workshop)	

Prerequisite Course(s): BU 101, AC 131

Spensin James

Signature, Chairperson, Curriculum Committee

12/1/1998

Date Approved by Committee

Susan Moses

Signature, President COM-FSM

12/23/1998

Date Approved by President

A. General Objective:

An introduction to the law of contracts and our legal systems as it relates to agency and employment, property and government regulation. An overview of the basic law and principles of court organization and a survey of tort law as applied to both FSM and the US government is provided. The law of sales and commercial paper is explained in detail.

B. Specific Objectives:

The student will be able to:

1. Define law and describe the legal system and environment of business.
2. Define sale of goods and distinguish it from a contract to sell.
3. List the requirements of the statute of frauds for sales and explain exemptions to it.
4. Explain the importance of determining when title and risk of loss pass.
5. Specify the warranties which apply to all sellers.
6. Explain the concept of contracts the contract environment, the legal and illegal agreements.
7. Distinguish between different types of contracts and describe the termination of contracts.
8. Identify different types of commercial paper and know their characteristics.
9. Define the essentials of negotiability, and the delivery requirements of a negotiable instrument.
10. Specify the primary and secondary liability on commercial paper.
11. Identify different types of endorsement, the liabilities and how negotiable instruments may be discharged. Identify the responsibilities of a holder of commercial paper.
12. Determine the difference between limited and universal defenses to holders and identify the most important advantages of being a holder in due course.
13. Describe the nature of agencies, their creation, and the different types of agency.
14. Identify the responsibilities and liabilities of an agent and principal.

15. Discuss the legal relationship between employer and employee. Identify the liabilities and duties which the employer and the employee have toward each other.

16. Discuss the legal environment of employment such as FLSA, Labor Management Relationship Act and Civil Rights Act of 1964, and the major points of each provision.

17. Define property and identify real property estates. Describe how title to real estate property is transferred. Identify the abstract of title and its importance in transferring real estate.

18. Describe the legal environment of mortgages such as effects, rights, and trust deeds.

19. Define the rights of both landlord and tenants. Explain the various types of tenants, the rights of leaseholders, and how a lease is terminated.

20. Describe a will and normal formalities required of writing a will.

C. Text:

Ashcroft, John D. and Ashcroft, Janet E.: Law for Business twelfth Edition. South-Western Publishing Co. 1996

D. Methods of Instruction:

Lectures, guest speakers, projects, and various individual and group assignments.

E. Course Content:

I. The Legal Systems and the Legal Environment of Business. The need for laws, sources of laws and differences between law and torts. Function of courts settlement of lawsuits. The role of government in regulating business.

II. The legal aspects of contracts. Nature and classes, offer and acceptance, defective contracts, what constitutes a legal binding contract as opposed to illegal contracts. Who may enter into contracts; the mental and legal capacity to contract. The consideration for contracts. The written contract. Third parties and contracts and the termination of the contract.

III. Sales. Sales of Personal Property. Formalities of a sale. Transfer of Title and Risk in Sales Contracts, Warranties and Product Liability, Consumer Protection.

IV. The nature of commercial paper. The important aspects of negotiability. The promissory note and draft specifications. The liabilities of holders of commercial paper, holders in due course and defenses.

V. Nature and creation of an agency, operation and termination of an agency. Employer and employee relationships and labor legislation.

VI. The nature of property; personal and real. Real property transfer, mortgages, landlord and tenants. Laws regarding Will and inheritance. The administration of bankruptcy.

D. Evaluation:

Grades will be assigned based on the following percentage of total points received from exams, projects, quizzes, mid-term and final exam:

A.....	90% to 100%
B.....	80% to 89%
C.....	70% to 79%
D.....	60% to 69%
F.....	59% and below

E. Attendance Policy:

The COM-FSM Attendance Policy will be observed.