

PRINCIPLES OF BUSINESS AND COMPANY LAW PAPER 3

OVERALL AIM

To equip the learner with knowledge and skills to apply the principles of business laws to real life business situations.

LEARNING OUTCOMES

On completion of this course, the learner should be able to:

	Learning outcomes	K	C	A	An	S	E
1.	Explain the general principles of law	✓					
2.	Explain the general principles of the law of torts	✓					
3.	Discuss the laws governing contracts and persons		✓				
4.	Explain the principles of the law of agency	✓					
5.	Explain the general principles of the law of trusts	✓					
6.	Explain the legal relationships between employers and employees	✓					
7.	Describe the laws governing negotiable instruments, partnerships and companies			✓			
8.	Describe the various legal forms of insolvency		✓				
9.	Resolve legal issues raised			✓			

LEVEL OF ASSESSMENT

The examination will test the learner's knowledge, comprehension and application of the principles of business laws to real life situations.

EXAMINATIONS STRUCTURE

There will be a three-hour examination made up of sections A and B. Section A will comprise 20 compulsory multiple-choice questions of 20 marks. Section B will comprise five questions of 20 marks each, of which the candidate will be required to attempt any four.

DETAILED SYLLABUS

A GENERAL PRINCIPLES OF LAW

1. Role, nature and classification of law in Uganda
2. Sources of law in Uganda, including the constitution; legislation; common law and equity; customary law and case law
3. Structure, composition and jurisdiction of local council courts, magistrates' courts, High Court and its divisions, Court of Appeal/ Constitutional Court and Supreme Court

B LAW OF TORTS

1. Distinction between tort and contract; tort and crime
2. Elements of torts
3. Malice in torts
4. Capacity of parties to sue and be sued, including Government, foreign sovereigns and diplomats, corporations, trade unions, married women and infants/ minors (including liability of parents), judges and magistrates and persons of unsound mind
5. General defences in torts
6. Joint tortfeasors
7. Limitation/ survival of actions
8. Trespass to persons, land and goods
9. Negligence
10. Nuisance

C LAW OF CONTRACT

1. Types of contracts and elements of a valid contract; contracts that must be in writing and contracts that must be supported by written evidence
2. Part performance
3. Valid, void and voidable contracts
4. Intention to create legal relations
5. Commercial agreements
6. Offer and acceptance
7. Consideration and privity
8. Equitable estoppel
9. Contractual capacity
10. Terms of contract and exemption clauses
11. Illegal contracts against public policy; effect of illegality of contract
12. Contracts in restraint of trade
13. Reality of contracts
14. Mistake, misrepresentation, undue influence and duress
15. Contracts uberrimae fidei
16. Assignment of contractual rights
17. Discharge of contract and remedies for breach of contract

D SALE OF GOODS

1. Nature and formalities of a contract of sale of goods
2. Terms of contract and implied terms by statute
3. Rights and duties of the parties

E LAW OF AGENCY

1. Nature and purpose of agency
2. Principal-agent relationship
3. Types of agents

4. Rights and duties of an agent; personal liability of an agent to third parties
5. Duties of a principal including an undisclosed principal
6. Termination of agency

F **LAW OF TRUSTS**

1. Types of trusts and parties to a trust
2. Circumstances under which a trust can be created
3. Appointment, discharge, duties and liabilities of trustees
4. Termination of a trust

G **EMPLOYMENT LAW** (Reference to be made to the Employment Act, No. 6 of 2006, Laws of Uganda)

1. Nature of an employment contract
2. Rights and duties of parties to an employment contract
3. Discrimination in employment
4. Termination of contract of employment and dismissal

H **LAW OF PARTNERSHIPS**

1. Types of partnerships and formation of a partnership
2. Relationship of partners, including their rights and duties
3. Obligations of partners to third parties
4. Termination of a partnership

I **NEGOTIABLE INSTRUMENTS**

1. Meaning and characteristics
2. Types of negotiable instruments including cheques and bills of exchange

J **COMPANY LAW**

1. Incorporation, classification and characteristics of a company
2. Promotion and promoters of a company
3. Commencement of business

4. Veil of incorporation
5. Ultra vires doctrine
6. Memorandum and articles of association
7. Prospectus
8. Shares and share capital:
 - (a) Allotment of shares
 - (b) Membership and register of members
 - (c) Annual return
 - (d) Class rights and variation of class rights
 - (e) Alteration and reduction of share capital
 - (f) Purchase of own shares
9. Debentures
10. Dividends
11. Meetings
12. Directors, including appointment; publicity requirements; powers, duties and responsibilities; remuneration; meetings; interests in shares or debentures; disqualification and removal from office
13. Company secretary, including powers and duties; register of directors and secretaries
14. Accounts and company auditors
15. Majority rule, minority protection and investigations including the ruling in the case of Foss v Harbottle
16. Corporate insolvency/ winding up; liquidation and the liquidator

REFERENCES

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4. Bakibinga D.J., 2013. Law of Contract in Uganda, 2nd ed, Kampala: Fountain Publishers.
5. Bakibinga D.J., 2011. Partnership Law in Uganda, 2nd ed, Kampala: Professional Books Publishers.
6. Hussain A., 2003. General Principles and Commercial Law of Kenya, Nairobi: East African Educational Publishers Ltd.
7. Ogola J.J, 2010. Business Law. 2nd ed, Nairobi, Kenya: Focus Publications Ltd (Revised and updated by Gitau Robert)
8. Government of Uganda, by Uganda Printing and Publishing Corporation:
 - (a) Companies Act, 2012
 - (b) Employment Act, 2006
 - (c) Insolvency Act, 2011
 - (d) Contracts Act, 2010
 - (e) Partnership Act, 2010
 - (f) Sale of Goods and Supply of Services Act, 2017