

## **Business Law**

Grade Level:	11-12
Length:	1 Semester
Period(s) Per Day:	1
Credit:	1/2
Credit Requirement Fulfilled:	Vocational/Elective

Content: All social control is regulated through the rule of law; either through expressed or implied situations. Business Law is designed for those students entering a collegiate study of business or for all students looking to understand law through the lens of a consumer. Areas covered are: elements and characteristics of a contract; when contractual capacity occurs and the rights given; the legal rights of a minor; the difference of legal form and legality, how a contract may end; assignment, delegation and breach of a contract, the Law of Sales; warranties; consumer protection; buying and insuring a car, and important legislation such as the Magnusson-Moss Act and Uniform Commercial Code. This courses challenges students to distinguish unethical from illegal behavior to understanding the rising important of social responsibility.

### ***Course Objectives and Expectations***

1. To analyze the relationship between ethics and the law and describe the sources of the law.
2. To understand the elements, characteristics of a contract; requirements of offer and acceptance, and the termination of an offer.
3. To distinguish between mistake, fraud, innocent misrepresentation, duress and undue influence.
4. To realize the intricacies of a contract in relation to a minor child (legal infant) and contractual capacities to defined groups.
5. To apply the basics of the rule of consideration to agreements while buffering this rule to those contracts not requiring consideration; to insert the special applications of consideration and the rules of promissory estoppel.

6. To verify the rules of legality in terms of those contracts that violates statutes or contrary to public policy.
7. To author a contract that will prevail in a court of law.
8. To be able to determine when a court will enforce a contract or discharge a contract because of impossibility of performance, right to sue or discharge by statute of limitations.
9. To understand and differentiate the concepts of assignment, delegation and breach of contract.
10. To determine when to apply the law of sales, special rules for the sale of goods under the Uniform Commercial Code; to differentiate between passage of title and risk of loss or when a breach may occur.
11. To realize the importance of warranties to include implied and express warranties.
12. To incorporate aspects of consumer protection to include unfair and deceptive practices, false advertising, shopping by mail and product liability.
13. To apply basic rules in the purchase of a new or used vehicle to include the aspects of Magnusson Moss and Lemon Laws; to apply the aspects of financing and licensure of a new vehicle.

### ***Pacing***

### ***National Business Standards***

#### Semester 1

Unit 1: Ethics and Law	NBS I.A.2.3
Unit 2: How Contracts Arise	NBS I B.1.2.3: II.A.1.2
Unit 3: Genuine Agreement	NBS II.A.2.3: B.4
Unit 4: Capacity to Contract	NBS II.A.2.3
Unit 5: Consideration	NBS II.A.2.3
Unit 6: Legality	NBS II.A.2.3: B.3
Unit 7: Form of a Contract	NBS II.A.2
Unit 8: How Contracts Come to an End	NBS II.A.3
Unit 9: Assignment, Delegation, and Breach of Contract	NBS II.A.3.4: G.2.3
Unit 10: Contracts for the Sale of Goods	NBS II.B.2.3.4
Unit 11: The Importance of Warranties	NBS II. B.4: C.3
Unit 12: Consumer Protection	NBS II.C.3.4
Unit 13: Buying and Insuring a Car	NBS VI.B.1.3, MSC 2.1.4

### ***Content***

#### Semester

Ethics and Law

- A. How ethical decisions are made
- B. The relationship between ethics and law
- C. Laws come from different sources
- D. Law in other cultures

#### How Contracts Arise

- A. Elements of a contract
- B. Characteristics of a contract
- C. Requirements of an offer
- D. Requirements of an acceptance
- E. Termination of an Offer
- F. Law and language

#### Genuine Agreement

- A. Mistake
- B. Fraud
- C. Law and computers
- D. Innocent misrepresentations
- E. Duress
- F. Undue influence

#### Capacity to Contract

- A. Contracts of minors
- B. Working in the law
- C. Other contractual capacity rules

#### Consideration

- A. Consideration
- B. Agreements without consideration
- C. Adequacy of consideration
- D. Special applications of consideration
- E. Law in other cultures
- F. Promises enforceable without consideration
- G. Consideration in everyday life

#### Legality

- A. Agreements that violate statutes
- B. Working in the law
- C. Agreements contrary to public policy
- D. Effect of illegality

#### Form of a Contract

- A. What the writing must contain
- B. Contracts that must be in writing
- C. Resolving disputes
- D. Parole evidence rule
- E. Changing the writing

#### How Contract Come to an End

- A. Discharge by performance
- B. Working in the law
- C. Discharge by impossibility of performance
- D. Discharge by operation of law

#### Assignment, Delegation and Breach of Contract

- A. Transfer of rights
- B. Transfer of duties
- C. Novation
- D. Third parties
- E. Breach of contract
- F. Remedies of the injured party
- G. Minimizing damages
- H. Resolving disputes

#### Contracts for the Sales of Goods

- A. The law of sales
- B. Law in other cultures
- C. Special rules for sales contracts
- D. Enforceable oral sales contracts
- E. Other sales governed by Uniform Commercial Code rules.
- F. Title
- G. Passage of title and risk of loss
- H. Remedies for breach of contract

#### The Importance of Warranties

- A. Law of warranties
- B. Express warranties
- C. Law and social studies
- D. Implied warranties
- E. Warranty of title
- F. Privity of contract not required
- G. Exclusion of warranties
- H. Duty to notify and remedies for breach

#### Consumer Protection

- A. Unfair and deceptive practices
- B. Resolving disputes
- C. False advertising
- D. Shopping by mail
- E. Product liability
- F. Consumer protection assistance

#### Buying and Insuring a Car

- A. Financing a car

- B. Where to buy a used car
- C. Buying a car – new or used
- D. Federal consumer protection
- E. Leasing a car
- F. Having the car repaired
- G. Law and mathematics
- H. Automotive insurance

### ***Timeline***

Unit 1: Ethics and Law	one week to cover
Unit 2: How Contracts Arise	one week to cover
Unit 3: Genuine Agreement	one week to cover
Unit 4: Capacity to Contract	two weeks to cover
Unit 5: Consideration	one week to cover
Unit 6: Legality	one week to cover
Unit 7: Form of a Contract	one week to cover
Unit 8: How Contracts Come to an End	one week to cover
Unit 9: Assignment, Delegation, and Breach of Contract	one week to cover
Unit 10: Contracts for the Sale of Goods	three weeks to cover
Unit 11: The Importance of Warranties	one week to cover
Unit 12: Consumer Protection	two weeks to cover
Unit 13: Buying and Insuring a Car	two weeks to cover

### ***National Business Standards***

#### Unit 1: Ethics and Law

The Law, Ethics, and Social Responsibility: Analyze the relationship between ethics and the law and describe sources of the law, the structure of the court system, different classifications of procedural law, and different classifications of law.

1. Define law and ethics.
2. Examine a person’s responsibility to obey the law.
3. Determine how businesses can meet social responsibilities.
4. Explain the relationship between law and ethics.
5. Describe the role of values in constructing an ethical code and a legal system.
6. Distinguish unethical from illegal conduct.
7. Identify consequences of unethical conduct and identify consequences of illegal conduct.
8. Identify factors that contribute to developing ethical and legal lifestyles.
9. Analyze and solve difficult ethical and legal problems

## Unit 2: How Contracts Arise

Sources of the Law: Analyze the relationship between ethics and the law and describe sources of the law, the structure of the court system, different classifications of procedural law, and different classifications of law.

1. Explain the purpose of the constitution.
2. Describe the branches of the federal government as presented in the United States Constitution.
3. Define statutory law and the purpose of statutory law.
4. Explain the roles of local, state, and federal governments.
5. Explain how courts make law using precedent and the role of stare decisis.
6. Explain how to read both case and statutory citations.

Contract Law, Law of Sales, and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Explain the nature of a contractual relationship.
2. Recognize the responsibilities created by a contract.
3. List the elements required to create a contract.
4. Explain the rehabilitation principle in contract law.
5. Differentiate among contractual characteristics (e.g., bilateral and unilateral, express and implied, and oral and written).
6. Define counteroffer and describe the effects of a counteroffer in various contractual situations.
7. Differentiate between the ways that mutual assent can be determined.
8. Define and distinguish between different types of consideration.

## Unit 3: Genuine Agreement

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Explain the nature of a contractual relationship.
2. Explain how offer and acceptance can create contractual rights and duties.
3. Determine when an agreement is definite enough to be enforced as a contract.
4. Differentiate between the ways that mutual assent can be undermined.
5. Distinguish between rejection of goods and revocation of acceptance.

## Unit 4: Capacity to Contract

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Explain the nature of a contractual relationship.
2. List the elements required to create a contract.
3. Explain a minor's right to avoid a contract.
4. Identify categories of people who lack contractual capacity.

#### Unit 5: Consideration

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Explain the nature of a contractual relationship.
2. List the elements required to create a contract.
3. Define and distinguish between different types of consideration.
4. Describe the concept of unconscionability and compare it to illegality.

#### Unit 6: Legality

NBS II.A.2.3: B.3

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Explain the nature of a contractual relationship.
2. List the elements required to create a contract.
3. List the essential information that should be included in writing under the statute of frauds.
4. Describe the various rules applied to the interpretation of contracts.
5. Identify problems created when contracts are negotiated and entered over the Internet.
6. Clarify when sales contracts must be written.

#### Unit 7: Form of a Contract

NBS II.A.2.3

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Explain the nature of a contractual relationship.
2. List the elements required to create a contract.
3. List the essential information that should be included in writing under the statute of frauds.
4. Describe the various rules applied to the interpretation of contracts.
5. Identify problems created when contracts are negotiated and entered over the Internet.
6. Clarify when sales contracts must be written.

#### Unit 8: How Contracts Come to an End

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. List the elements required to create a contract.
2. Explain the rehabilitation principle in contract law.
3. List the ways a contract may be discharged.

### Unit 9: Assignment, Delegation, and Breach of Contract

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Describe breach of contract.
  2. Describe the remedies available when a contract is breached.
- Tort Law: Definition of civil law
3. Distinguish between civil and criminal law.
  4. Explain the concepts of the reasonable person test and proximate cause.
  5. Define “negligence per se” and give examples of circumstances under which it applies.
  6. List and explain the remedies of the buyer when the seller breaches the sales contract.
  7. Determine the circumstances in which the parties may limit the damage recovery of the opposing party.
  8. Describe when the statute of limitations usually begins and ends in a sales transaction.

### Unit 10: Contracts for the Sale of Goods

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Define goods and distinguish goods from services and real property.
2. Identify sources of law that applies to contracts for (a) goods, (b) services, and (c) real property.
3. Explain when to apply the Uniform Commercial Code (UCC).
4. Give examples of special rules that apply to sales contracts that do not apply to other contracts.
5. Clarify when sales contracts must be written.
6. Judge whether a particular writing meets the requirements of the Uniform Commercial Code (UCC).
7. Compare an auction with reserve with an auction without reserve.
8. Explain when a title and risk of loss pass in a sales of goods.
9. Describe when the statute of limitations usually begins and ends in a sales transaction.
10. Describe those statutes that regulate cyber-price shopping, cyber-payment problems, and cyber-contract security issues.

### Unit 11: The Importance of Warranties

Consumer Law

1. Explain the nature of warranties.
2. Discuss consumer protection legislation at the state and federal levels.

### Unit 12: Consumer Protection

Contract Law, Law of Sales and Consumer Law: Analyze the relationships between contract law, law of sales and consumer law.

1. Identify and state the purpose of legislation that regulates consumer credit and electronic credit transactions.
2. Discuss consumer protection legislation at the state and federal levels.
3. Discuss the terms “unfair business practice.”
4. Define the term, “false and misleading.”
5. Describe the consequences of violating consumer statutes.
5. Explain the purpose of the Consumer Product Safety Act.

### Unit 13: Buying and Insuring a Car

Negotiable Instruments, Insurance, secured transactions, bankruptcy: Analyze the functions of negotiable instructions, insurance, secured transactions, bankruptcy.

1. Explain the contractual relationship between a bank and its customers.
2. Define insurance and the benefits of insurance.
3. Explain the requirements for an insurable interest.
4. Compare and contrast the different types of car insurance.
5. Compare and contrast the different types of liability and property insurance.

## ***Montana Standards for Career and Vocational Education***

### Unit 13: Buying and Insuring a Car

Students will demonstrate an understanding and applying principles of resource management (financial, time, personal management)\

1. Use basic monetary skills, practice maintaining financial records in order to prepare and analyze financial plans, make forecasts, make adjustments to meet objectives and evaluate financial records.
2. Follow detailed instruction and complete assignment (i.e. project/time management) in order to select, design, complete and evaluate a project (i.e., manage multiple facets of a project.)
3. Recognize time constraints in order to manage multiple priorities and assess effectiveness of outcomes.
4. Recognize limitations on physical resources to accomplish a goal.

## **Resources**

Montana Standards for Career and Technical Education. Available at:

<http://opi.mt.gov/pdf/Standards/ContStds-CareerTech.pdf>

National Standards for Business Education: What America's Students Should Know And Be Able To Do in Business. National Business Education Association. 2013. Reston, VA. Available at: [www.nbea.org](http://www.nbea.org).