

**OPEN UNIVERSITY OF TANZANIA**  
**FACULTY OF BUSINESS MANAGEMENT**

**COURSE OUTLINE**

**OBS 400: BUSINESS LAW, ETHICS AND GOOD GOVERNANCE**

**Course objectives:**

- To introduce the students to the different legal rules and concepts regulating the business environment obtaining in Tanzania
- To make students appreciate the relationship, between law, ethics and governance and their significance in the success or failure of business.
- To introduce the students into the basic principles underlying the ethical, legal and governance requirements in a business specifically in the area of binding promises, their legal effect and their enforceability.
- Develop requisite awareness of prospective consultants, directors, practitioners, entrepreneurs in Tanzania Business Enterprises by elucidating basic principles of law, ethics and governance in their fields of practice (current and future);

## **Course Content**

### **0.0 Introduction**

- Meaning of law, ethics, and good governance and relevance to business
- The Tanzania Legal System, The Court System and Tribunals: The Constitution, pillars of the state, separation of powers, rule of law
- Sources of Law business law

### **1.0 The Law of Contract**

- Concept of Contract
- Essentials of a contract
- Terms of Contract
- Discharge of contracts
- Remedies for breach of contracts

### **2.0 The Law of Partnership**

- Concept of Partnership
- Formation of a Partnership, Types of Partners
- Management of a Partnership
- Relations and duties of partners
- Dissolution of Partnership

### **3.0 Law of Agency**

- Concept of agency
- Creation of Agency Relationship
- Kinds of Agents and their authority
- Responsibilities of Principal and Agent
- Relationship between Agent and Third Parties
- Termination of Agency relationship

#### **4.0 The Law Relating to Sale of Goods**

- Concept of Sale of Goods
- Formation of A contract of Sale
- Express and Implied terms in a contract of sale
- Passing of Ownership
- Remedies of Seller
- Remedies of Buyer

#### **5.0 The Law Relating to Hire Purchase**

- The Concept of Hire Purchase Agreement
- Formation of a Hire Purchase Contract
- General Requirements/ Key features of Hire Purchase
- Passing of Ownership
- Rights and Duties of parties
- Remedies

#### **6.0 The Law Relating to Negotiable Instruments**

- The Concept of Negotiable Instruments
- Characteristics of negotiable instruments
- Types of Instruments and their application

#### **7.0 Company Law**

- The concept of a company
- Classifications of Companies; Formation of a Companies
- Management: The Board of Directors, The General Meetings, The Class Meetings
- Winding Up of Companies Modes: Voluntary, Compulsory

#### **8.0 Insurance Law**

- The formation of the contract
- Essential Principles: *Uberrimae Fidei*, Insurable Interest
- Indemnity Principle and its corollaries
- Types of Insurance policies

## **9.0 Banking Law**

- Formation of banks in Tanzania
- Banker Customer Relationship
- Rights and duties of the parties
- Termination of the contract

## **10.0 Law of Tort**

- Concept of Torts
- Selected Torts: The Tort Of Negligence, The Concept Of Vicarious Liability, Employer's Liability, Occupiers Liability Strict Liability
- Defences in Torts

## **11.0 General aspects of Procurement Law**

- Concepts of procurement
- Ethical issues in procurement
- Legal issues in procurement

## **12.0 Criminal Law Aspects of business law**

- Criminal Law
- General Principles of criminal law
- Crimes committed in business

## **REFERENCES**

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### **Statutes**

1. The Constitution of the United Republic, 1977 (as amended from time to time)
2. The Law of Contract Act, Cap. 345
3. The Sale of Goods Act, Cap. 214
4. The Companies Act, 2002
5. The Bills of Exchange Act, Cap. 215
6. The Cheques Act, 1969
7. The Banking and Financial Institutions Act, 2006
8. The Bank of Tanzania Act, 2006
9. The Procurement Act, 2004