

Unit 5: Aspects of Contract and Negligence for Business

Unit code: Y/601/0563

QCF level: 4

Credit value: 15 credits

Aim

The aim of this unit is to provide learners with an understanding of aspects of the law of contract and tort and the skill to apply them, particularly in business situations.

Unit abstract

The unit introduces the law of contract, with a particular emphasis on the formation and operation of business contracts. Learners are encouraged to explore the content of these agreements and then develop skills relating to the practical application of business contracts, including offer, acceptance, intention, consideration and capacity. Relevant case law examples will be covered. Learners will consider when liability in contract arises, the nature of the obligations on both sides of the contract, and the availability of remedies when a contract is not fulfilled in accordance with its terms.

Additionally, the unit will enable learners to understand how the law of tort differs from the law of contract and examine issues of liability in negligence relating to business and how to avoid it.

Learning outcomes

On successful completion of this unit a learner will:

- 1 Understand the essential elements of a valid contract in a business context
- 2 Be able to apply the elements of a contract in business situations
- 3 Understand principles of liability in negligence in business activities
- 4 Be able to apply the principles of liability in negligence in business situations.

Unit content

1 Understand the essential elements of a valid contract in a business context

Essential elements: offer and acceptance; intention to create legal relations; consideration; capacity; privity of contract (**note vitiating factors are included in Unit 27: Further Aspects of Contract and Tort**)

Types of contract: face to face; written; distance selling; impact

Types of terms: condition; warranty; innominate term; express; implied; exclusion clauses and their validity

2 Be able to apply the elements of a contract in business situations

Elements: application of relevant principles and case law to business scenarios

Specific terms: contents of standard form business contracts; analysis of express terms, implied terms and exclusion clauses in a given contract

Effect of terms: breach of condition, warranty and innominate terms; legality of exemption clauses; outline of remedies; damages

3 Understand principles of liability in negligence in business activities

Negligence: differences to contract; duty of care; breach of duty; damage – causation and remoteness of damage; personal injuries; damage to property; economic loss; occupier liability

Liability: employer's liability; vicarious liability; health and safety issues

4 Be able to apply principles of liability in negligence in business situations

Negligence: application of the legal principles of negligence and relevant statutory and case law to business scenarios including: personal injuries, damage to property, economic loss, occupier liability; defences; contributory negligence; remedies



Learning outcomes and assessment criteria

Learning outcomes On successful completion of this unit a learner will:	Assessment criteria for pass The learner can:
LO1 Understand the essential elements of a valid contract in a business context	1.1 explain the importance of the essential elements required for the formation of a valid contract 1.2 discuss the impact of different types of contract 1.3 analyse terms in contracts with reference to their meaning and effect
LO2 Be able to apply the elements of a contract in business situations	2.1 apply the elements of contract in given business scenarios 2.2 apply the law on terms in different contracts 2.3 evaluate the effect of different terms in given contracts
LO3 Understand principles of liability in negligence in business activities	3.1 contrast liability in tort with contractual liability 3.2 explain the nature of liability in negligence 3.3 explain how a business can be vicariously liable
LO4 Be able to apply principles of liability in negligence in business situations	4.1 apply the elements of the tort of negligence and defences in different business situations 4.2 apply the elements of vicarious liability in given business situations.

Guidance

Links

This unit links with all the law units in the BTEC Higher Nationals in Business.

Essential requirements

Learners will require access to law reports and contractual documents, such as existing business standard form contracts.

Employer engagement and vocational contexts

Centres should develop links with local businesses. Many businesses and chambers of commerce want to promote local business and are often willing to provide visit opportunities, guest speakers or information about their business and the local business context.