

Foundation Course Study Material

Paper 2

Business Laws

**(Relevant for May, 2025 and
onward Examinations)**



**BOARD OF STUDIES
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

SYLLABUS

PAPER – 2: BUSINESS LAWS (100 MARKS)

Objective:

To develop general legal knowledge of the law of Contracts, Sales and understanding of various forms of businesses and their functioning to regulate business environment and to acquire the ability to address basic application-oriented issues.

Contents:

1. **Indian Regulatory Framework-** Major Regulatory Bodies such as Ministry of Finance, Ministry of Corporate Affairs, SEBI, RBI, IBBI, Ministry of Law and Justice etc.
2. **The Indian Contract Act, 1872:** General nature of contract, Consideration, Other essential elements of a valid contract, Performance of contract, Breach of contract, Contingent and Quasi Contract, Contract of Indemnity and Guarantee, Contract of Bailment and Pledge, Contract of Agency.
3. **The Sale of Goods Act, 1930:** Formation of the contract of sale, Conditions and Warranties, Transfer of ownership and Delivery of goods, Unpaid seller and his rights.
4. **The Indian Partnership Act, 1932:** General Nature of Partnership, Rights and Duties of partners, Reconstitution of firms, Registration and Dissolution of a firm.
5. **The Limited Liability Partnership Act, 2008:** Introduction-covering nature and scope, Essential features, Characteristics of LLP, Incorporation and Differences with other forms of organizations.
6. **The Companies Act, 2013:** Essential features of company, Corporate veil theory, Classes of companies, Types of share capital, Incorporation of company, Memorandum of Association, Articles of Association, Doctrine of Indoor Management.
7. **The Negotiable Instruments Act, 1881:** Meaning of Negotiable Instruments, Characteristics, Classification of Instruments, Different provisions relating to Negotiation, Presentment of Instruments, Rules of Compensation.

Note: *If new legislations are enacted in place of the existing legislations, the syllabus would include the corresponding provisions of such new legislations with effect from dates notified by the Institute.*

The specific inclusions/ exclusions in the various topics covered in the syllabus will be effected every year by way of Study Guidelines, if required.