

Law for accounting

Unit level 4

Unit code R/617/6922

GLH 60

Credit value 15

Unit grading structure

Pass-Merit-Distinction

Unit aims

The aim of the module is to develop understanding of how English law impacts on business organisations and professional accountancy practice.

Learning outcomes The learner will:	Assessment criteria The learner can:		
	Pass	Merit	Distinction
1. Understand the elements of law affecting commercial practice.	<ol style="list-style-type: none"> Analyse the elements and nature of contractual agreements. Explain the principles of agency and their impact on business practice. Explain the law of tort and remedies available. 	<ol style="list-style-type: none"> Assess the validity of given contracts. 	<ol style="list-style-type: none"> Evaluate the implications of an agency relationship for the principal and the agent.
2. Understand company and insolvency law.	<ol style="list-style-type: none"> Analyse the requirements of company law for the formation, financing and administration of companies. Analyse the role and responsibilities of company directors, officers and shareholders. Explain the process of insolvency for business organisations. 	<ol style="list-style-type: none"> Advise on the insolvency process for a given situation. 	<ol style="list-style-type: none"> Analyse aspects of capital maintenance.
3. Understand the impact of criminal law on business and professional organisations.	<ol style="list-style-type: none"> Analyse the relationship between legal principles, legislation, case law and ethical codes. Explain the elements and consequences of malpractice, fraud and bribery in business organisations. Explain offences and penalties related to money laundering. Explain offences and penalties related to computer misuse and cybercrime. 		
4. Understand areas of law affecting business and professional operations.	<ol style="list-style-type: none"> Analyse the requirements of data protection legislation. Explain how intellectual property can be protected. Assess the impact of legislation relating to employment. 	<ol style="list-style-type: none"> Assess the importance of intellectual property rights to businesses. 	



Indicative content

1. Understand the elements of law affecting commercial practice

Contract law

- Elements of a valid contract
- How contracts may be terminated
- Remedies for breach of contract
- Relevant case law.

Law of agency

- Principles of agency
- Rights and duties of agents (including partnerships)
- Implications of the agency relationship
- Relevant case law.

Law of tort

- What constitutes liability for negligence
- Negligent misstatement
- Vicarious liability
- Remedies for claims of negligence
- Relevant case law.

2. Understand company and insolvency law

Formation, financing and administration of companies

- Procedures for company and limited liability partnership registration including memorandum and articles of association
- Advantages and disadvantages of limited companies and limited liability partnerships compared to partnerships, sole traders and other legal structures
- Veil of incorporation and when it can be lifted
- Requirements of Companies Act (currently 2006 Act) for statutory accounts, audit, meetings, registers and general administration
- Exemptions for medium, small and micro-enterprises
- Procedures for the issue of shares including shares issued at a premium and pre-emption rights
- Capital maintenance including reduction of capital, redemption of shares, purchase of own shares, distribution of profits
- Share transfer requirements.

Directors, officers and shareholders

- Appointment and removal of directors
- Directors powers, role and duties
- Consequences of breach of duty
- Influence of shareholders on company through meetings and resolutions
- Shareholder statutory rights and member rights for limited liability partnerships
- Role of company secretary in company and limited liability partnership.

2. Understand company and insolvency law (continued)

Insolvency

- Implications of fixed and floating charges over assets
- Company voluntary arrangements
- Administration orders
- Receivership
- Compulsory and voluntary liquidation
- Means of termination of companies and other business organisations
- Priorities for distribution on liquidation
- Rights of creditors and employees
- Bankruptcy and personal insolvency.

3. Understand the impact of criminal law on business and professional organisations

Legal principles, legislation, case law and ethical codes

- Ethical codes relating to business and professional organisations e.g. government guidance, codes issued by professional bodies or specific industries
- Status of each e.g. law, regulation, guidance
- Relationship and interaction
- Corporate governance and ethical practice.

Malpractice, fraud and bribery

- Elements and consequences of malpractice
- Defences against malpractice for professional accountants
- Elements and consequences of fraud
- Elements and consequences of bribery.

Money laundering

- National and international regulations relating to money laundering
- What constitutes money laundering
- Reporting and other requirements for professional accountants in relation to money laundering
- Consequences of failing to meet money laundering requirements
- Penalties for money laundering.

Computer misuse and cybercrime

- Computer Misuse Act 1990
- Offences and penalties under the Computer misuse Act
- Cybercrime under Fraud Act 2006
- Cybercrime offences and penalties.

4. Understand areas of law affecting business and professional operations

Data protection legislation

- Use of information in business
- Requirements of data protection legislation – Data Protection Act 2018, GDPR
- Impact of requirements on business
- Penalties for non-compliance.

4. Understand areas of law affecting business and professional operations (continued)

Intellectual property law

- The different types of intellectual property
- Protection through copyright, patents and trademarks
- Protection of digital assets
- Remedies for unlawful use of intellectual property
- Importance of intellectual property for businesses.

Employment law

- Employed and non-employed status
- Legal consequences of employment
- Key features of employment contracts
- Termination of employment contracts
- Unfair, wrongful and constructive dismissal
- Statutory redundancy
- Employer obligations re social security
- Equal opportunities legislation.

Unit assessment

The assessment for each unit is based on the achievement of the learning outcomes at the standards set by the assessment criteria for that unit. The learner can achieve a Pass, Merit, Distinction or Fail for each unit based on the quality of the work submitted and the assessor's judgements made against the criteria provided.


The assessment is completed through the submission of internally assessed learner work which is subject to external moderation or verification.

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