

Unit Title:	Understanding the principles of law for business and professional services
OCR unit number:	5
Credit value:	5
Level:	3
Guided learning hours:	40
Unit reference number:	L/504/1332

## Unit aim and purpose

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By completing this unit the learner will understand key principles of English law for business and professional services as they relate to individuals, companies, and to the role of accountants.

Learning Outcomes	Assessment Criteria
<p><b>The Learner will:</b></p> <p>1 Understand the impact of civil law on business and professional services</p>	<p><b>The Learner can:</b></p> <p>1.1 Explain when a legally binding contract exists between two parties and how a contract may be enforced</p> <p>1.2 Explain the circumstances under which a contract can be terminated and possible remedies for breach of contract</p> <p>1.3 Explain the concept and purpose of agency and agents within civil law</p> <p>1.4 Explain the authority an agent has to enter into contracts on behalf of a principal, including express, implied and apparent authority; and that given to partners under legislation</p> <p>1.5 Identify instances and consequences of negligence (particularly negligent misstatement) in a given scenario</p> <p>1.6 Identify instances and consequences of vicarious liability in a given scenario</p>
<p>2 Understand the implications of company and insolvency law on business</p>	<p>2.1 Explain the differences between partnerships and companies and the circumstances when the veil of incorporation can be lifted</p> <p>2.2 Explain the process and consequences of formation and constitution of a company</p> <p>2.3 Explain procedures and requirements for share issues and transfers within company law</p> <p>2.4 Identify aspects of capital maintenance including: reduction of capital; redemption and purchase of a company's own shares; financial assistance for the purchase of a company's own shares; distribution of profits</p> <p>2.5 Explain shareholders' rights in relation to the management of a company</p> <p>2.6 Identify the rights and duties which a member of a limited liability partnership possesses</p>

Learning Outcomes	Assessment Criteria
	2.7 Explain the role of company directors 2.8 Explain principles and procedures to be considered in relation to company liquidation
3 Understand the impact of criminal law on business and professional services encountered by professional accountants	3.1 Explain circumstances where an accountant will be protected from dismissal and victimisation if he raises concerns about malpractice in the workplace 3.2 Identify instances and consequences of fraud, bribery and corruption 3.3 Assess the courses of action a professional accountant could take, in accordance with international and national regulations and law, to deal with instances and consequences of money laundering
4 Understand the impact of law as it affects the role and work of the professional accountant	4.1 Identify the key requirements of the Data Protection Act, on the use of personal information and how the Act can affect the manner in which information systems are used by businesses 4.2 Identify who is an employee and the main legal consequences of employment status 4.3 Explain the key features of employment contracts and circumstances in which an employment contract may be terminated and the consequences arising 4.4 Assess when dismissal constitutes: <ul style="list-style-type: none"> <li>• a wrongful dismissal</li> <li>• an unfair dismissal</li> </ul> 4.5 Identify the circumstances where an employee can claim a statutory redundancy payment

## Assessment

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Assessment for this unit is through examinations set by the Institute of Chartered Accountants England and Wales (ICAEW).

*Candidates can only claim this qualification after they have achieved the Institute of Chartered Accountants in England and Wales' (ICAEW) Certificate in Finance, Accounting and Business qualification; which is assessed by examination, subject to ICAEW conditions.*

## Evidence requirements

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Candidates are required to submit a digital copy of their achievement which will be confirmed by ICAEW.

## Additional information

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For further information regarding administration for this qualification, please refer to the OCR document 'Admin Guide: Vocational Qualifications' (A850) on the OCR website [www.ocr.org.uk](http://www.ocr.org.uk).