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LIABILITY (JURISPRUDENCE)

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Abstract :

A comprehensive legal term describes the condition of being actually or potentially subject to algal obligation. Joint liability is an obligation for which more than one person is responsible.

Joint & several liabilities refer to the status of those who are responsible together as one unit as well as individually for their conduct. The person who has been harmed can institute a lawsuit & recover from any or all of the wrongdoers but cannot receive double compensation, for instance, the full amount of recovery from each of two wrongdoers.

Primary liability is an obligation for which a person is directly responsible; it is distinguished from secondary liability which is the responsibility of another if the party directly responsible fails or refuses to satisfy his or her obligation.

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Definition

According to Salmond: "liability is the bond of necessity that exists wrongdoer and the remedy of the wrong has more often been said to have contract or delict."

According to Mark : "the word liability is used to describe the condition of a person who has a duty to perform."

TYPES OF LIABILITIES

Current Liabilities

Current liabilities are short-term financial obligations paid off within one year or one current operating cycle, whichever is longer. (A normal operating cycle, while it varies from industry to industry, is the time from a company's initial investment in inventory to the time of collection of cash from sales of inventory or of products created from inventory.) Typical current liabilities include such accrued expenses as wages, taxes, & interest payments not yet paid; accounts payable; short-term notes; cash dividends; & revenues collected in advance of actual delivery of goods or services.

Long-Term Liabilities

Liabilities not paid off within a year (or within a business's operating cycle) are known as long-term or noncurrent liabilities. These often involve large sums of money necessary to undertake opening of a business, major expansion of a business, replace assets, or make a purchase of significant assets. Such debt typically requires a longer period of time to pay off. Examples of long-term liabilities include notes, mortgages, lease obligations, deferred income taxes payable, & pensions & other post-retirement benefits.

Contingent Liabilities

A third kind of liability accrued by companies is known as a contingent liability. The term refers to instances in which a company reports there is a possible liability for an event, transaction, or incident has already taken place; the company, however, does not yet know whether a financial drain on its resources will result. Contingent liabilities often come into play when a lawsuit or other legal measure has been taken against a company. An as yet unresolved lawsuit concerning a business's products or service, for example, would qualify as a contingent liability.

Legal Framework in India

The issue of civil liability in case of nuclear disasters hovered for a long time in policy circles of India but for the first time actively came up in 2006 when India put forward its plan to have civil nuclear agreement with The United States. The agreement was finally achieved in 2008 popularly referred to as the Indo-US Civil Nuclear Agreement. One of the terms of the agreement mandated for civil liability law with regard to nuclear incidents in India. As a result, about 2 years later the infamous The Civil Liability for Nuclear Damage Act of 2010 (hereafter referred to as