

## LAW 315 - BUSINESS ASSOCIATIONS

### COURSE DESCRIPTION, OBJECTIVES AND EVALUATION

**Prerequisites -- Co-requisites:**

None

**Unit Value:**

2

**Hours per week:**

4, one term

**Term Offered:**

Fall 2009

**Principal Instructor:**

Gillen

#### A. ASSUMPTIONS

It is assumed that:

1. Most students will have little or no background knowledge of business and business terminology.
2. Most students will eventually practice law and will practice in a variety of areas such as general corporate and commercial law, securities, tax, real estate, labour, family, estates, criminal law, etc. or a general practice involving many of these areas of law.

In each of these areas of practice it will be useful to have a general knowledge of agency law, of what partnerships are and how they are organized, and of what corporations are and how they are organized. In a securities or tax practice it will be useful to have a greater knowledge of how partnerships and corporations are financed. In a general corporate commercial practice and in the litigation of corporate law matters it will be useful to have a greater knowledge of matters of organization, particularly with respect to corporations (focusing on such matters as the corporation's organizing documents, corporate meetings, proxy solicitation, fiduciary duties of directors and officers, and shareholder remedies).

3. Students will have a more general interest in the law of business associations as it relates to the broader social context since so many transactions in our society occur through agency relationships and since so much of what is produced in our society is produced through business organizations, especially corporations.

4. While some of the detailed rules of the law of agency, partnerships or corporations would be useful to students who go on to practice in the corporate law area, a knowledge of general principles and a framework for approaching problems would be of more practical and enduring value.

## B. EDUCATIONAL GOALS

The goals of the course are that students:

1. Acquire a general knowledge of a range of possible alternative forms of association for carrying on business.
2. Develop an understanding of how corporations and partnerships are organized and of the agency relationships therein:
  - (i) as background for drafting other documents to which these organizations are parties;
  - (ii) to be able to determine who can do what and who is responsible for what as a basis for:
    - (a) identifying documents needed in support of a transaction;
    - (b) drafting supporting documents; and
    - (c) determining who can be liable and for what.
3. Develop an understanding of the rights and remedies available in connection with agency relationships, partnerships and corporations as a basis for advising clients.
4. Develop an appreciation of the broader social context in which business organizations operate and reflect on the social responsibilities of business organizations, the effectiveness of business organizations in their production activities, and the role of the lawyer in advising business organizations given the broader social context in which they operate.

## C. OBJECTIVES FOR EVALUATION

The course seeks to achieve these goals by having students meet certain objectives, namely, that on a final examination students should be able to:

1. **Base Knowledge:** Demonstrate an understanding of material covered by answering one or more short exam questions on specific aspects of different forms of business organization, and, in particular, agency law and the organization of sole proprietorships, partnerships or corporations.
2. **Application**
  - (i) **Identify Issues:** Identify agency, sole proprietorship, partnership and corporate law issues in a given fact situation;
  - (ii) **Set Out the Law:** State, with supporting authority, a reasonable view of the law on the issues;

**(iii) Apply the Law to the Facts:** Apply the law to the facts to give advice as to:

(a) the steps that will have to be taken in a transaction; and/or

(b) what rights or remedies a particular person may have and what their chances of successfully enforcing those rights and obtaining those remedies would be;

and/or

**(iv) Discuss Policy:** Discuss the reasons for the law, how the policy applies in the particular fact situation, and whether or not the law is appropriate to deal with the particular fact situation.

**3. Policy:** Demonstrate an understanding of the broader social context in which businesses operate as it relates to the social responsibilities of business organizations, to the effectiveness of business organizations in their production activities, and the role of the lawyer in advising business organizations in consideration of this broader social context by:

(i) answering an essay question on an exam; and/or

(ii) noting the broader social context and/or role of the lawyer in responding to other questions on an exam.

### **C. SUBJECT MATTER COVERED**

The course looks at alternative forms of association for carrying on business with particular emphasis on partnerships and corporations. It briefly looks at agency law and sole proprietorship. It will examine partnerships, limited partnerships and corporations in somewhat more detail and, *time permitting*, it will briefly consider other forms of association that *may* include business trusts, limited liability partnerships, co-operatives, societies, unincorporated associations, franchises and joint ventures.

### **D. TEACHING METHODOLOGY**

The teaching methodology will consist of a mix of lectures and problem analysis. Problems will be used to introduce and/or review various aspects of the law.

(continued on page 4)

## E. EVALUATION

The evaluation will be as follows:

1. a 100% final exam consisting of a closed-book part and an open book-part.

or

2. A research paper option (counting for 40% of the final grade) if you have some academic and/or practical experience in a corporate law related area. You must obtain my permission to write a research paper and for your research topic before Wednesday, September 30, 2009. The research paper will be between 4,500 to 5,000 words in length. If you choose option 2, you will write the same final examination as those who choose option 1. However, your examination will count for 60% of your final grade. You will be able to “opt back” at your discretion to a 100% final examination until Wednesday, October 14, 2009. After October 14<sup>th</sup>, you must obtain my permission to write a 100% final examination.