



## Course Outline 2017

### BUSACT 701: Commercial and Corporate Law (15 POINTS)

#### Quarter 2 (1174)

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#### Course Prescription

Examines the **impact** of the law on decision making and management of an organisation. Develops the ability to identify legal requirements, **issues and mechanisms** critical to managing **the risk/reward profile** of the firm and achieving its strategic objectives.

#### Prerequisite:

*BUSMGT 731–734*

#### Goals of the Course

The focus of this course is to develop the knowledge and skills of advisors to empower business managers to:

- make business decisions with legal awareness;
- demonstrate the relevance of ethical business practice;
- identify possible legal problems and implement the necessary corrective measures, including taking professional advice, and;
- appreciate the legal implications of their actions.

#### Learning Outcomes

By the end of this course, you will be able to:

1. Evaluate the key features of the New Zealand legal system, the limits of governmental power, how laws are made and applied and the relationship of business ethics to law;
2. Access and interpret both legislation and judge-made law as sources of law as well as understand the court system and alternative ways to resolve disputes;
3. Analyse the implications of legal obligations and property rights and how they may overlap, with particular attention to the tort of negligence;
4. Demonstrate a good working knowledge of how a contract is made, the role of consumer protection, how to interpret a range of common commercial contracts and the consequences of their breach;
5. Examine the consequences of using a range of business structures, the concept of separate legal entity with particular reference to corporate insolvency and be able to advise stakeholders and officers of the limited liability company as to their rights and duties;

## Content Outline

### Topic One

#### Week 1

27 to 31 March

- What are we trying to achieve in this course?
- Does ethical behaviour make good business sense?
- Law's role in society and the basic features of the legal system.
- The development of New Zealand's legal system including the role of the Treaty of Waitangi.
- The constraints on Government and the ways in which it may be influenced by business and by citizens.

### Topic Two

#### Week 2

3 April to 7 April

- What is law, where is it found, what does it mean?
- Self-help: finding law online.
- The theory and practice of interpreting legislation.

### **Topic Three**

#### Week 3

10 to 13 April  
(note public  
holiday this  
week)

- The concept of “precedent” and how it is used by the courts. Becoming familiar with the court process.
- The nature of legal obligations and how they overlap.
- The significance of property rights versus personal rights.
- Practical examples of statutory and judge-made obligations.
- Tort liability, with particular reference to negligence.

### **Topic Four**

#### Week 4

19 to 21 April  
(note public  
holidays this  
week)

#### Week 5

24 to 28 April

#### Week 6

1 to 5 May

- How a contract is made.
- Some ethical issues: “duress”, “misrepresentation”, “misleading and deceptive conduct”, “restraint of trade,” “incapacity through age (minors) and through disability”
- The consequences of breach of contract – damages and/or cancellation.
- Contract interpretation.
- Problems with “standard form” contracts.
- Consumer contracts

### **Topic Five**

#### Week 7

8 to 12 May

- Advantages and consequences of the use of business structures, including:
  - Partnerships and limited partnerships
  - Joint ventures
  - Franchises
  - Limited liability companies.

### **Topic Six**

#### Week 8

15 to 19 May

- Concept of Corporate Entity.
- Exceptions to the entity principle.
- Features of New Zealand Company Law.
- The role of Agency law.

### **Topic Seven**

- Directors’ duties.

### Week 9

22 May to 26  
May

- Division of power in companies.
- Shareholder remedies

### Week 10

29 May to 2  
June

- Revision

## **Learning and Teaching**

The class will meet for 5.5 hours each week. Class time will be used for lectures, discussions, problem solving, a group assessment and for feedback from the online quizzes. In addition to attending classes, students should be prepared to spend about another ten hours per week on activities related to this course. These activities include required readings, the case study, problem solving and preparing the assessments.

## **Teaching Staff**

Lecturer: Associate Professor Gehan Gunasekara

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## **Learning Resources**

A course book containing most of the resources used for the course will be available to students. In addition, online resources will be available under Reading Lists for each module on the Canvas course page.

Note: there is no need to purchase a textbook. However a useful text for further reading is Watson, S. (Ed.). (2013). *Law for Business*. Auckland: Akoranga Press. References in lecture slides to **"the Text"** refer to this work unless otherwise indicated. This text is available for short loan from the short loan facility in the Library.

Another useful reference text is Watson, S. (Ed.). (2009). *The Law of Business Organisations* (5th ed.). Auckland: Palatine Press, page references to which are provided for parts of the course. Multiple copies of this text are also available for short loan from the short loan facility in the Library. **There is no need to purchase either book.** The compulsory readings are all contained within the course book. These readings include case studies contained in the course book and other readings through online resources you will be taught how to access.

Note: during the course, reference will be made to legislation governing the subjects being covered. Extracts from some of these are contained in the course book. However, you will be expected to have access to all legislation referred to for reference when necessary. You will be taught how to find these through the library databases that are available to which you will have access. In particular, you will be expected to refer to the **Companies Act 1993** (electronically or in hard copy) for the classes during Weeks 8-10 inclusive.

## **Assessment**

Individual Online Quizzes	10%
Individual Written Assignment	30%
Group Assessment (Moot)	5%
Group Assessment (Shareholder meeting)	5%
Mid-term Test	20%
Final Test	30%
Total	100%

The Mid-term Test is 1.5 hours in duration (with additional reading time of duration to be advised) and the Final Test is 2.0 hours in duration (plus 30 minutes reading time). The Mid-term Test will likely be held in the week of 24 April 2017 and is on the topics of Weeks 1-4. The Final Test is on the topics of

Weeks 1–10, but is more heavily based on the material in Weeks 5–10. The second test date will be in Week 10 and the date will be advised.

The individual written assignment consists of a report on a legal problem of 2,500 words in length. It will probably have to be handed in for final assessment around the week of 15 May. **The final dates for tests and assignments on this course will be confirmed in Week 1 of the course through the course page on Canvas.**

There will be 9 online quizzes which you must complete outside of the classes. They will be closely linked to the TBLs which will discuss application of concepts covered during lectures and tutorials. The TBLs will contain guidance as to the following week's online quizzes as well as feedback and discussion of the previous week's quiz.

There are two team-based assignments. The first will be completed in Week 4. It will consist of a moot or submission on issues given to students beforehand concerning a realistic legal dispute involving negligence. Each group will present arguments/submissions concerning a different litigant in the dispute. Assessment will be based on various criteria notified beforehand, such as identification of issues, identification of relevant legal principles and the application of the principles to the facts.

The second team-based assignment will be during week 9. This will consist of participating in role playing at a shareholder meeting. Each team will co-operate or work in competition with other teams (depending on the goals each is seeking to advance) by voting at a shareholder meeting to achieve results or block other shareholder groups from achieving theirs. Assessment will be based on various criteria notified beforehand, such as being able to cite relevant procedural or substantive rules, being able to explain their effect on the meeting and being able to use them effectively at the meeting to achieve the group's objectives.

The broad relationship between these assessments and the course learning outcomes is as follows:

Learning Outcome	Individual online quizzes	Group assessment (moot)	Group assessment (meeting)	Mid-term Test	Final Test	Individual written assignment
1	X			X		
2	X			X		
3	X	X				
4	X				X	X
5	X		X		X	

### Inclusive Learning

Students are urged to discuss privately any impairment related requirements face-to-face and/or in written form with the course director/lecturer and/or tutor.

### Student Feedback

This course has undergone a number of changes as a result of feedback and input from a number of staff as to the particular requirements needed to satisfy the criteria expected to be included by the accounting profession.

Feedback on the content of the course and its delivery is sought during the course by the teaching staff through the medium of fast feedback during the course. In addition formal course evaluations are carried out at the end of the course. As a result of feedback from these some changes have been implemented this quarter. These include more team-based activities in the TBL sessions and assessments based on them. The shareholder meeting TBL this quarter has been structured as an assessed activity as a consequence.

Your feedback, both during the course and at its completion, is sought and encouraged. You can contact your class representatives to pass on your feedback to ensure your anonymity or you can contact the teaching or program staff direct.



Class representatives will be chosen in the first week of the course and their details posted on Canvas.

### **Academic Integrity**

The University of Auckland will not tolerate cheating, or assisting others to cheat, and views cheating in coursework as a serious academic offence. The work that a student submits for grading must be the student's own work, reflecting his or her learning. Where work from other sources is used, it must be properly acknowledged and referenced. This requirement also applies to sources on the world-wide web. A student's assessed work may be reviewed against electronic source material using computerised detection mechanisms. Upon reasonable request, students may be required to provide an electronic version of their work for computerised review.

### **In the event of an unexpected disruption**

We undertake to maintain the continuity and standard of teaching and learning in all your courses throughout the year. If there are unexpected disruptions, the University has contingency plans to ensure that access to your course continues and your assessment is fair, and not compromised. Some adjustments may need to be made in emergencies. In the event of a disruption, the University and your course coordinators will make every effort to provide you with up-to-date information via Canvas and the university website.