



Course information 2018–19

MN3027 The law of business organisations

This course provides an insight into and understanding of the workings of business organisations (including formation and effect), their operations and management. The course explores the business entity and the practical implications of such entities entering into binding obligations and contracts, the issue of liabilities and protection conferred on management and investors.

Exclusion

This course may not be taken *with* LA3021 *Company law*.

Aims and objectives

This course aims:

- to develop in the student an understanding of the core principles of the laws that regulate business organisations
- to develop the independent and individual skills needed for students to take their knowledge further, and to apply it, for example, in practice, in industry, or in an academic environment.
- to inspire and to stimulate endeavour.

Essential reading

For full details please refer to the reading list.

Bourne, N. *Bourne on Company law*.
(Routledge-Cavendish Publishing)
Dine, J. and M. Koutsias *Company Law*.
(Palgrave Macmillan Law Masters)
Macintyre, Ewan *Business Law*. (Pearson)

Learning outcomes

At the end of the course and having completed the essential reading and activities students should be able to:

- ☑ identify and explain the legal issues arising in some of the main day-to-day dealings of business organisations and provide advice or commentary relating to those issues
- ☑ define and discuss the core concepts inherent in the legal structure of business organisations
- ☑ interpret the main statutory provision relevant to the areas covered by the syllabus
- ☑ demonstrate reading in depth beyond merely the subject guide.

Assessment

This course is assessed by a three-hour unseen written examination.

Students should consult the appropriate *EMFSS Programme Regulations*, which are reviewed on an annual basis. The *Regulations* provide information on the availability of a course, where it can be placed on your programme's structure, and details of co-requisites and prerequisites.

Syllabus

This is a description of the material to be examined. On registration, students will receive a detailed subject guide which provides a framework for covering the topics in the syllabus and directions to the essential reading

The role of law: The nature and sources of law; the distinction between private and public law; the role of law in the creation and maintenance of business organisations; the nature of contract, agency and trusts and their relevance to the operation of business organisations.

Forms of business organisation:

The distinction between:

- individual and collective trading
- registered and unregistered organisations
- incorporated and unincorporated organisations
- public and private companies
- limited and unlimited companies
- companies limited by shares and companies limited by guarantee.

The formation and operation of each of the above types of organisation; the nature of the constitution; how funds are raised for the purpose of carrying the proposed business.

Limited liability: The meaning and significance of limited liability; who is entitled to limited liability; the concept of the veil of incorporation and the lifting of the veil; fraudulent and wrongful trading.

Dealings between the organisation and the outside world: The relevance of the constitution to the dealings of the organisation; registered as opposed to unregistered organisations; when the organisation will be bound to contracts and other dealings with third parties – the relevance of principles of agency and the alter ego doctrine; the distinction between void and voidable acts.

Surveillance of actions within the organisation: The nature of the relationship between the organisation and its members; the duties of directors of companies and other executive committee members of different organisations; the ratification of breach of such duties; the enforcement of remedies for such breach and the protection of minorities.

Terminating the organisation: Circumstances leading to the termination of the organisation; different methods of termination; the importance of the distinction between solvent and insolvent organisations.