

Course Outline

BUSN 2101 Law of Business Entities

Semester 2, 2009

STUDENTS: Course details change from semester to semester. **Please check** that you are reading the correct Course Outline.

Course description This unit introduces you to the legal principles relevant to business structure in Australia. Particular emphasis is given to corporate law with some reference to other forms of business operation.

The course aims to help you to:

- (a) acquire a basic knowledge of Australian corporate law;
- (b) develop an understanding of the business events and associated legal issues faced by Australian companies and their advisers; and
- (c) apply your legal knowledge and research skills to recognise and address such legal issues from the perspective of an accountant, management consultant or financial adviser.

The course considers numerous legislative provisions and examines their application in the context of major Australian court decisions (case law). The course also considers the reasons for certain legal requirements and prohibitions to put the law into a commercial context and assist students to develop confidence to identify legal issues related to Australian business.

Contacts

	Office address	Email	Telephone	Consultation times
Course convener and lecturer (Course Authority) Ms Suzanne Webbey	Room 1055 PAP Moran	Suzanne.webbey@anu.edu.au	6125 2270	TBA
School Student Administrators Nathan Daley Julia Woodruff Alison Campbell	School Office Rm 2037 Bld 21 Hanna Neumann School website: http://www.cbe.anu.edu.au/schools/abis	email enquiries: enquiries.abis@anu.edu.au	6125 0025 6125 7968	Office hours: 9am – 5pm Monday - Friday

Communication with students

Email If necessary, the lecturer for this course will contact students electronically using their official ANU student email address.

Announcements Students are expected to check the course website for announcements about this course, e.g. changes to timetables or notifications of cancellations. Notifications of emergency cancellations of lectures or tutorials will be posted on the door to the relevant room.

Course information

Readings and Seminar questions

Week	Date (week beginning)	Topic	Problems to prepare for Seminar Problem sets are at the back of your textbook from page 553
1	20 July	TOPIC 1 Companies and Company Law Chapters 1 and 2	Look at the ASIC website or the ASX website and choose one item to print, bring to class for discussion
2	27 July	TOPIC 2 Business Structures Ch 3, 4 and 24	Set 1 Q1,2,3 and 5,
3	3 August	TOPIC 3 Managing Companies with share capital Ch 5, 6 and 18	Set 2, Q 3, 4, 5,6 and 7 which involves downloading an ASIC Form 201
4	10 August	TOPIC 4 Corporate Governance Ch 9,10 and 11	Set 3 Q2,5,6,7
5	17 August	TOPIC 5 Directors' Duties – good faith Ch 12	Set 5 Q 6,7,8,9
6	24 August	TOPIC 6 Directors' duties – conflict of interest, consequences of breach Ch 13 and 14	Set 6 Q 6,7,8and 9
7	31 August	TOPIC 7 Members' meetings and Members' Remedies Ch7,8 and 15	Set 7 questions 3, 5, 6, 7
8	7 September	Corporations Law in the News Mid Semester revision	Look at the ASIC website or the ABC News(business website) for a current news item involving corporations law; for class discussion
8	14 September	TOPIC 8 Corporate Finance, Reporting and Disclosure Ch 16,17 and 18	Set 4 Q 4 and 5 note to read a copy of the Agco constitution in the textbook p601; Set 8 Q 2,3 and 4

9	21 September	TOPIC 9 Securities and Takeovers Ch 18, 19 and 20	Set 9 Q 2,3,4 and 6
		BREAK	
10	12 October	TOPIC 10 Company Contracts and Liability Ch 22 and 23	Set 10 questions 7, 9 See WebCT for an additional question
12	19 October	TOPIC 11 External Administration Ch 25 and 26	Set 11 Q 9 Set 12 Q5, 6 and 8.
13	26 October	Revision	Set 13 Q 2, 7, 8 and 9.

Learning outcomes

On satisfying the requirements for this course, students should have the knowledge and skills to:

At the end of the unit you are expected to:

- have acquired a basic knowledge of Australian corporate law;
- be able to apply your knowledge to analyse and address legal issues typically encountered by Australian companies and their advisers
- understand the way the law will view a set of circumstances and why the law exists rather than only viewing a situation from a commercial viewpoint and also know how to apply this to influence and inform decision making
- have sufficient knowledge to identify legal issues amongst factual issues
- have sufficient knowledge and skills to find current statements of case law and legislation regarding legal issues
- have developed skills to direct ongoing learning especially in the context of amendments to corporate law

**Proposed
assessment
overview**

Details about assessment may change during the first two weeks of semester. Please ensure that you check whether there have been changes with your lecturer or tutor. Changes to the assessment requirements will be posted on the course website site.

Assessment item	Description and detail of the assignment	Specific requirements	Due date	Weighting (%)
Quizzes	3 quizzes that cover: Quiz 1 Topic 1, Quiz 2 Topic 2 and Quiz 3 Topic 3	Complete at least 2 quizzes out of 3 or all 3 quizzes, the best quiz mark will be used for the grade. Each quiz will contain 10 multiple choice questions to be completed in 30 minutes	Commencing on 22 July first quiz released, 29 July second quiz released, 5 August third quiz released. All quizzes will be available until they all close simultaneously at 1pm on Friday 21 August 2009	10%
Assignment	Mid-semester take home exam question comprising one problem question	One problem question to be completed by students	4pm Monday 14 September	30%
Examination	Final examination ALL TOPICS ARE EXAMINABLE	Completion of 3 problem questions from a choice of 4. Exam will be 2 ½ hours long comprising ½ hour reading time and 2 hours writing time	TBA	60%

All components of the above assessment are compulsory and must be submitted.

You must obtain 50% or more as an aggregate mark to be eligible for an automatic pass grade in this course.

Late assignments may attract the following penalties:

Lateness	Penalty
1 day	20% of awarded mark
2 days	30% of awarded mark
3 days	50% of awarded mark
4 days or more	No marks will be awarded

**Relationship
between
learning
outcomes and
assessment**

How well have you achieved the learning outcomes for this course? This table shows you how each assignment will check your achievements against the stated learning outcomes for the course.				
Course Learning Outcomes	Quizzes	Assignment 2	Assignment 3	Examination
<p>On satisfying the requirements for this course, students will have the knowledge and skills to:</p> <ul style="list-style-type: none"> • have acquired a basic knowledge of Australian corporate law; 	X			
<ul style="list-style-type: none"> • be able to apply your knowledge to analyse and address legal issues typically encountered by Australian companies and their advisers 	X	X	X	X
<ul style="list-style-type: none"> • understand the way the law will view a set of circumstances and why the law exists rather than only viewing a situation from a commercial viewpoint and also know how to apply this to influence and inform decision making • have sufficient knowledge to identify legal issues amongst factual issues • have sufficient knowledge and skills to find current statements of case law and legislation regarding legal issues 	X	X	X	X
<ul style="list-style-type: none"> • have developed skills to direct ongoing learning especially in the context of amendments to corporate law 		X	X	

Assignment details and information about marking

<i>Assignment</i>											
Due date	4pm Monday 14 September 2009										
Value (%)	30%										
Length	2000 words										
Purpose	The aim of this assignment is to develop your legal reasoning and analysis skills through considering a set of facts and identifying and advising regarding the legal issues that arise. It will assist you to develop confidence and insight with legal problem solving. It will also allow you to practise your skills in writing a persuasive legal argument and synthesising your learning in a few areas of corporate law.										
Instructions	<p>It will take the form of one problem style question and the word limit will be imposed. The penalties below regarding late submission may apply.</p> <p><u>Requests for Extensions</u></p> <p><i>All requests for extensions to the submission deadline should be directed to the Course Coordinator.</i> Non-submission of a compulsory assignment will preclude students from qualifying for a supplemental or further examination.</p> <p><u>Assignment Presentation</u></p> <ul style="list-style-type: none"> <i>Assignments are to be word-processed. The use of strict, professional expression is expected.</i> 										
Marking criteria	<table border="1"> <thead> <tr> <th>Criteria</th> <th>Factors Examined</th> </tr> </thead> <tbody> <tr> <td>Communication</td> <td>Correct syntax, grammar and spelling Clarity of thought and expression</td> </tr> <tr> <td>Demonstrated knowledge of the law</td> <td>Answer reflects a good knowledge of the relevant legislation and relevant case law - an understanding of their scope and operation</td> </tr> <tr> <td>Analytical skills (legal problem solving technique)</td> <td>Ability to determine the legally relevant or "material" facts and the applicable legal rules: -ability to identify the legal issues raised by the relevant facts, ie the questions in dispute; -applying the law to the relevant facts (do the facts fit the legal rules?); -reaching a conclusion and expressing it ("In my view...." "I consider, on the basis of the facts provided, that...."). If the legislation is open to more than one interpretation your task is to say so and to decide which one should be considered of greater weight and to state why.</td> </tr> <tr> <td>Presentation</td> <td>Correct citations of cases and legislation Layout/setting out (use of appropriate headings- clarity, ease of reading). See below for further details.</td> </tr> </tbody> </table>	Criteria	Factors Examined	Communication	Correct syntax, grammar and spelling Clarity of thought and expression	Demonstrated knowledge of the law	Answer reflects a good knowledge of the relevant legislation and relevant case law - an understanding of their scope and operation	Analytical skills (legal problem solving technique)	Ability to determine the legally relevant or "material" facts and the applicable legal rules: -ability to identify the legal issues raised by the relevant facts, ie the questions in dispute; -applying the law to the relevant facts (do the facts fit the legal rules?); -reaching a conclusion and expressing it ("In my view...." "I consider, on the basis of the facts provided, that...."). If the legislation is open to more than one interpretation your task is to say so and to decide which one should be considered of greater weight and to state why.	Presentation	Correct citations of cases and legislation Layout/setting out (use of appropriate headings- clarity, ease of reading). See below for further details.
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Presentation	Correct citations of cases and legislation Layout/setting out (use of appropriate headings- clarity, ease of reading). See below for further details.										
Submission details	Assignments should be submitted in the slot under the counter of the ABIS office. All assignments for ABIS courses go in the same slot. All assignments are cleared, sorted and date-stamped at 4pm daily.										

Assignment submission and return of assignments

- Assignments are to be submitted with an ABIS Assessment Cover Sheet attached to the front page (available from school office or course website)
- Assignments should not be submitted in plastic cover sheets/folders.
- Students should keep a hard copy of assignments and related documents which are to be made accessible to Course Coordinators if required. Students should also keep returned marked assignments until final results for the semester are posted. Queries concerning the awarded mark can only be resolved with the original assignment.
- During teaching periods assignments will be handed back in the seminar. At the end of semester students can collect assignments from the ABIS office. After this Assignments will be available for collection in the exam viewing sessions for final exams of the same semester. Please note that after this assignments will be securely destroyed by the school office.

Information about examinations

The final exam will be a 2 hour (plus 30 minutes reading time) open book exam.

Students will be required to answer 3 problem questions from a choice of 4 problems

The link to the final examination timetable is published on the following website:

<http://timetable.anu.edu.au/>.

ALL TOPICS ARE EXAMINABLE

Regarding permitted materials for the final examination:

- **Open book exam. Any materials are permitted.**
- **Electronic devices including dictionaries are not allowed.**

Workload

Students taking this course are expected to commit at least 6 hours a week to completing the work.

This will include:

One 3 hour seminar

About 3 hours weekly of reading and seminar preparation including preparing problem questions

Course delivery

The course will be delivered as a three hour seminar including discussion of assigned reading and problem questions

Prescribed texts

Required Texts

Hanrahan P, Ramsay, I and Stapledon G, *Commercial Applications of Company Law*, 10th edition CCH, 2009 or 9th edition 2008 will be adequate for this semester

Australian Corporations and Securities Legislation CCH 2009

The text and legislation will be available as a package from the Co-op Bookshop which represents a saving over individual purchase of the 2 books. The text includes tutorial questions (problem sets)

Recommended reading

Austin RP, Ford HAJ, Ramsay IM, *Company Directors: Principles of Law and Corporate Governance*, Lexis Nexis 2005

Austin RP and Ramsay IM, *Ford's Principles of Corporations Law*, 13th edition, Lexis Nexis 2007;

Baxt R, Fletcher KL, Fridman S, *Corporations and Associations: Cases and Materials*, 9th edition Lexis Nexis 2003

Boros E, and Duns J, *Corporate Law*, Oxford, 2007.

Chapple L, *Company Law*, Pearson Education Australia 2009.

Harris J, *Corporations Law*, LexisNexis 2008.

Harris J, Hargovan A and Adams M, *Australian Corporate Law*, Lexis Nexis , 2008.

Hinchy R and McDermott P, *Company Law*, Pearson Prentice Hall, 2006.

Hutchinson, *Researching and Writing in Law*, 2nd edition, Thomson Lawbook Co, 2005

Krever R, *Mastering Law Studies and Law Exam Techniques*, 5th edition Lexis Nexis 2001

Lang A, *Horsley's Meetings: Procedure, Law and Practice*, 5th edition, Lexis Nexis, 2006

Latimer P, *Australian Business Law*, 26th edition, CCH 2007.

Lipton P and Herzberg A, *Understanding Company Law*, 13th edition, Thomson Lawbook Co 2005.

Murray, *Keay's Insolvency: Personal and Corporate Law and Practice*, 6th edition, Thomson Lawbook Co 2008.

Osborn's Concise Law Dictionary, 10th edition, Thomson Lawbook Co, 2005

Redmond P, *Companies and Securities Law: Commentary and Materials*, 4th edition, Thomson Lawbook Co, 2005.

Tomasic R, Bottomley, S and McQueen R, *Corporations Law in Australia*, second edition Federation Press, 2002;

Traves S, *Commercial Law*, Lexis Nexis 2006.

Turner C, *Australian Commercial Law*, 26th edition Thomson Law Book Company 2006.

Wishart D, *Corporations Law Guidebook*, Oxford 2009.

Woodward S, Bird H and Sievers S, *Corporations Law in Principle*, Lawbook Co, 7th edition, 2005.

Web sites

The Australasian Legal Information Institute www.austlii.edu.au

This site contains on-line Australian case law and statutes.

The Australian Securities and Investments Commission www.asic.gov.au

The Australian Securities Exchange <http://www.asx.com.au/>

**Requisites,
including
assumed
knowledge,
required
skills, and
recommended
courses**

BUSN 1101 Introduction to Commercial Law

General information for all students

Enrolment details

For assistance with program and course selection, enrolment, change of program, variation to enrolment, status and other general matters, contact either the College Office or the Student Office in the Sir Roland Wilson Building (MBA and graduate Management programs only).

College Office

location: 1st floor of the Copland Building (room 1120)
phone: (61) 02 6125 3807
email: info.cbe@anu.edu.au
web: <http://www.cbe.anu.edu.au/>

Main administrative dates

The main administrative dates regarding teaching sessions, course census dates, examination periods, and graduation and enrolment variations (i.e. deadlines for adding and dropping courses) are available from the ANU SEAP Guide 2009 <http://www.anu.edu.au/sas/SEAP_guide/>.

Associate Dean (Education)

Associate Professor Alex Clarke is the Deputy Dean/Associate Dean (Education) for the College.

ANU Student Support

The Academic Skills and Learning Centre <<http://www.anu.edu.au/academicskills/>>, in the Pauline Griffin Building, offers services to students regarding a range of academic issues including essay writing, note-taking, referencing, reading, examination preparation, and plagiarism.

ANU College <<http://www.anucollege.com.au/>> offers introductory and extended programs in maths bridging courses and English language support for students from non-English-speaking backgrounds.

The Information Literacy Program <<http://ilp.anu.edu.au/index.html>> offers workshops to undergraduate and graduate students to develop skills in handling information and communication technologies.

Policies, Procedures and Rules

Information about University policies, procedures and rules is provided in a number of places on the ANU website. These websites provide information on the Code of Practice for Student Academic Honesty, Assessment Arrangements for Students from Language Backgrounds Other Than English, Academic Progress Rules and Procedures, Special examinations/consideration, Supplementary examinations, and Review of assessment procedures.

1. Student Enrolment and Administrative Procedures Guide (SEAP) <http://www.anu.edu.au/sas/SEAP_guide/>
2. ANU Undergraduate Handbook information available on Study@ANU <<http://info.anu.edu.au/studyat/>>
3. ANU Rules <<http://www.anu.edu.au/cabs/rules/>>
4. Graduate Research website <<http://rss.anu.edu.au/default.asp?ref=16>>
5. Information for students in the College of Business and Economics <http://cbe.anu.edu.au/Current_Students/general_info/>

Information about examinations

Special Examinations

You must contact the College Office for guidance on the procedure for special examinations. Do not approach your lecturer for this information. Students who are unable to attend an examination for reasons outlined in the policies above may apply to sit a special examination by lodging an application with the College Student Administration Office no later than 3 working days after the scheduled examination. It is important to emphasise that travel arrangements are not normally acceptable grounds for special examinations. The granting of a request for special examination is not automatic and is at the discretion of the College. Supporting documentation from any relevant independent person (or authority) including health professionals and/or ANU Disability Advisers must accompany the completed form. If the relevant Delegated Authority then approves a Special Examination, you will be notified in writing. It is the responsibility of the student to confirm with the relevant Delegated Authority whether

or not a Special Examination has been granted. After receiving notification that a Special Examination has been granted, it is the responsibility of the student to confirm the date/time/locations for that examination with the relevant School Office.

For more detailed information, go to <http://www.cbe.anu.edu.au/Current_Students/general_info/specexam.asp>.

Special Consideration

Special Consideration is the process by which a marker takes your extenuating circumstances into consideration during the marking of an examination or other assessment item.

Requests for Special Consideration will not normally be considered if the application form is not lodged by the due date and/or does not include full original documentation. Supporting documentation from any relevant independent person (or authority) including health professionals and/or ANU Disability Advisers must accompany the completed form. Where relevant, a medical certificate is only valid if it attests to your illness at the time claimed. It is therefore important that you see a doctor when you are ill, not after recovery. Wherever possible a request for special consideration (consideration whilst marking the examination paper) should be submitted before the scheduled date of the examination. If you are ill during an examination you should notify the invigilator at once and report to a medical practitioner as soon as possible.

For more detailed information, go to <<http://www.anu.edu.au/sas/seap/examinationsandassessment/5.7.php>>.

Special Examination Arrangements

The University will endeavour to accommodate the special needs of students with a permanent or temporary disability. In such instances students should notify the Disability Services Centre (DSC) or the Examinations and Graduations Office well in advance of requiring alternative assessment arrangements. All requests for Special Examination Arrangements will require DSC or college approval.

For more information, go to <<http://www.anu.edu.au/sas/seap/examinationsandassessment/5.9.php>>.

Disabilities

If you have any queries about special arrangements with respect to disabilities and examinations, please refer to the Disabilities Services Centre <<http://www.anu.edu.au/disabilities/>>.

Supplementary Examinations

A course grade of PX indicates you are eligible to sit a supplementary examination. You must apply in writing within 7 working days from the date of release of the result unless otherwise advised by your college. The application to sit a supplementary examination must be lodged with the relevant Course Authority.

If you pass the supplementary examination you will receive the grade of PS (pass supplemental) and a mark of 50. If you are unsuccessful, or you decide not to sit the supplementary examination, your grade will be recorded as N (fail) and your original mark will stand.

Supplementary examinations will be held early in the next semester on dates to be advised. For information regarding the timing and venues for Supplementary examinations please refer to the School websites in the second week of the current semester:

ABIS: <http://www.cbe.anu.edu.au/schools/abis/>

ECONOMICS: <http://www.cbe.anu.edu.au/schools/eco/>

FAS: <http://www.cbe.anu.edu.au/schools/fas/>

MMIB: <http://www.cbe.anu.edu.au/schools/mmib/>

Results and Examinations

In accordance with the University Assessment Grades/Codes, the College applies the following scale when awarding grades:

Final pass grades		
HD	High Distinction	80—100 %
D	Distinction	70—79 %

CR	Credit	60—69 %
P	Pass	50—59 %
PS	Pass at supplementary examination	50 %
Final fail grades		
N	Fail	0—49 %
NCN	Not completed / Fail	Not graded
WN	Withdrawn with failure	Not graded
Interim codes		
DA	Deferred assessment	N/A
PX	Offered supplementary assessment	N/A
RP	Result pending	N/A
WA	Grade withheld for administrative reasons	N/A

Scaling

Scaling can increase or decrease a mark but does not change the order of marks relative to the other students in the course. If it is decided that scaling is appropriate, then the final mark awarded in a course may differ from the aggregation of the raw marks of each assessment component.

Results Notification

To access results students should check their ISIS accounts on the advertised date for release of examination results. After publication students enquiring about results must provide an ANU student card as proof of identification. For privacy reasons students should not make enquiries regarding the results of other students.

Examination Timetable: Final Examination Period

Details of the final examination timetable are available on the ANU Timetabling website <http://timetable.anu.edu.au/default.asp> . Students are expected to check the time of examinations themselves.

Examination Timetable: Mid-Semester Examinations

When a mid-semester exam is scheduled, timetable information will be posted by the relevant School.

Academic Misconduct

Misconduct in the preparation and submission of written work and/or examinations for assessment will have serious consequences for a student. Consequences include failure of the course, receipt of a mark penalty or in some circumstances disciplinary proceedings and exclusion.

The University's Discipline Rules apply to all students, undergraduate and graduate, and define misconduct in relation to an examination as including but not limited to:

- cheating
- plagiarism
- except with the approval of the Delegated Authority, submitting for an examination any work previously submitted for examination
- failing to comply with the University's instructions to students at, or in relation to, an examination
- acting, or assisting another person to act, dishonestly in or in connection with an examination
- taking a prohibited document into an examination venue

For further information on Academic Misconduct, go to <
<http://www.anu.edu.au/sas/seap/examinationsandassessment/5.12.php>>.