LEGAL ASPECTS OF BUSINESS
COURSE OUTLINE

DESCRIPTION

To succeed, business managers and entrepreneurs must know how to operate in the legal environment of business. This course provides a basic understanding of legal issues that business entities face during their existence.

The legal topics will be illustrated by class lectures and discussions, selected readings on case law and statutory law, as well as both individual and group projects designed to emphasize the relationship between law and business.

The objective of this course is to expose students to a broad range of legal issues that they can expect to encounter in business. The goal is not to impart technical legal skills but to enhance the judgment which students will bring to their responsibilities as entrepreneurs, managers of private and public companies, consultants, advisors, etc.
COURSE MATERIALS

a. Required Textbook:

West’s Business Law, Miller et al (Ninth Edition 2004). This textbook combines legal and managerial analysis and includes edited judicial decisions. It will be accompanied by a study guide. Students are required to purchase the textbook and study guide.

Handouts also will be distributed in class when necessary to supplement the text.

b. Use of Blackboard:

We will be using a web-based software package called “Blackboard” in this course. I assume that most of you have used it before. It can be accessed through your web-browser at: http://sternclasses.nyu.edu. Log in with your Stern netID/password. You will be able to download, for example, this class syllabus, check for announcements that I might make, etc. I also frequently send announcements via email. Therefore, please be sure your Stern email account is functioning.

In class I will further discuss details of Blackboard usage. Blackboard is an integral part of this course and you are responsible for any information that is posted there.

c. Other Recommended Websites:

1. West’s Business Law website: http://wbl.westbuslaw.com (no www at the beginning). This website features online quizzes and exercises for each of the chapters covered in class. You should periodically refer to it.


3. The Library of Congress provides legal information ranging from international legal policy to state and local legislation: http://www.loc.gov/law/guide/.


6. The Virtual Law Library Index, created by the Indiana University School of Law, provides an index of legal sources categorized by subject at: http://www.law.indiana.edu.

7. Law Guru is a way to access over 340 legal search engines and tools: www.lawguru.com.

8. Yahoo-Law is a great index of links to many legal topics: www.yahoo.com/law.


10. Heiros Gamos – This comprehensive legal site contains links to 12 directories, 200 practice areas, 400 discussion groups, current news and many more research tools: www.hg.org.

COURSE PREPARATION AND OTHER ADMINISTRATIVE DETAILS

Since faculty members tend to have somewhat different expectations as to class behavior, set forth below are a few of my own expectations concerning such matters.

1. Attendance in every class is extremely important. In the event that you must miss a class, however, I would appreciate if you would contact me in advance of class by means of a brief written note or an e-mail message. Also, if you do miss a class, it is your responsibility to find out from your classmates what materials were covered, what additional assignments were made and what items may have been distributed in class.

2. As a courtesy to your classmates and to me, you are expected to be in class, ready to roll, on time. Anyone coming in late will be a prime candidate for a cold call. Consistent lateness and more than a few absences will be reflected in a lower class participation grade.

3. I will be prepared for every class and expect that you will do the same. You should carefully read all of the assigned materials (such as textbook chapters, handouts, etc.) prior to the class session in which they will be discussed. You also should work with the relevant chapters of the Study Guide before and/or after class.

4. Be prepared to discuss any assigned material if called upon during class. Since I frequently call on students whose hands are not raised, you should let me know before the start of class if some emergency has made it impossible for you to adequately prepare for that class.
5. Given the importance of class participation, I will seek to learn your names as quickly as possible and I want you to learn each other’s names as well. To facilitate that, I will ask you to do several things. First, please select a seat that you can be comfortable with for the entire term. Please use a name card throughout the course and I will circulate a seating chart during the third session. I will ask you to tape a photograph of your face to this seating chart. I prefer that you copy the photo from your NYU ID card for these purposes.

Please assist me with learning and correctly pronouncing your name. Don’t be shy in taking every opportunity to remind me of your name.

6. As stated above, this course requires classroom participation. I am interested in the QUALITY, not quantity of your contribution to class discussions. You don’t need to speak frequently or in every class meeting. In fact, a student who participates only occasionally during the semester but contributes high quality comments to the discussion can receive full class participation credit whereas a student who talks a lot but contributes little of substance will lose class participation credit. I am aware that some of you may be shy about speaking out in the classroom. I respect this but strongly encourage you to participate nevertheless. Please make me aware of any reason why you find it difficult to speak in the classroom.

7. Chiara Szczesny is my secretary/administrative assistant who assists me with administrative tasks. She sits at the front desk of Suite 300. Chiara can be reached at (212) 998-0043 or cszczesn@stern.nyu.edu.

8. I have listed my e-mail address on the first page. If I fail to respond to an e-mail message in a timely fashion, it’s probably because your message got lost in cyberspace. If that happens, please leave me a voicemail message or send a fax. I also recommend that you contact my assistant, Chiara Szczesny. See paragraph 7 above.

9. Please do not use e-mail to send me written assignments: always submit a hard copy.

10. As indicated on the first page, I will be available on Mondays from 11:00am – 3:00pm and on Wednesdays from 11:00am – 1:30pm in my office, Room 309. Other times are available by appointment.

11. There will be two teaching assistants for this course (both sections) who will be available to assist you. Nicole Leyton is a second year law student at NYU Law School (npl213@nyu.edu). She graduated from the University of Virginia Darden School of Business. Andrew Butville also is a second year law student at NYU Law School (abutville@nyu.edu). He graduated from Pennsylvania State University with an engineering degree.
and an MBA. I will announce in class the specific days, times and place where Nicole and Andrew will be holding office hours. They also will be available via email. They will assist me in reviewing your written work.

COURSE REQUIREMENTS AND GRADES

The purpose of grading in this course, as in all courses, is twofold. One purpose is to evaluate students’ performance for purposes of the academic system. The other (and more important) purpose is to provide feedback on their ability to develop, utilize and share ideas concerning the covered topics and situations.

The final grade for this course will be based (approximately!) on the components set forth below. I present these percentages just to give you some sense of the relative importance of each assignment. All course requirements must be completed to pass this course.

☐ Class Attendance and Participation 10%
☐ First Case Problem 15%
☐ Midterm Examination 15%
☐ Second Case Problem 20%
☐ Business Organization Project 20%
☐ Final Examination 20%

Total: 100%

Assignments

The objective of these assignments (some of which will be performed with other students) is to put into action the conceptual and analytical skills learned in the course. Grades for the writing assignments will be based on BOTH the quality of the legal analysis and the quality of the writing displayed on them. Unexcused lateness in handing in an assignment will cause your grade to drop dramatically.

Midterm and Final Examinations

The midterm and final examinations will be non-cumulative and include material covered in the textbook, handouts and class sessions. A make-up exam is allowed only if I am notified prior to the scheduled examination and the appropriate medical or personal documentation is provided. Please be aware that such make-up exams tend to be considerably more difficult than regularly scheduled examinations.

Please note that students who may need special consideration because they have a disability should see me during office hours early in the semester.

POLICY ON CHEATING

It is my sincere hope that no student in this class hands in work which is not his or her own. Academic dishonesty may take many forms. Copying the work of another and
submitting it as one’s own, failing to attribute credit to a reference source, allowing another to copy one’s work and copying from another during an exam are a few examples of academic dishonesty. In any form, academic dishonesty undermines the school’s student code of conduct and is unfair to other students. You can find a good definition of plagiarism and help in avoiding it at http://www.stern.nyu.edu/Faculty/citl/articles/cheating.html.

The faculty of the Stern School of Business has adopted a Student Code of Conduct delineating the school’s expectations regarding academic integrity. (http://w4.stern.nyu.edu/Ug/“Academics”tab) Academic dishonesty will not be tolerated in this class. Please be aware that the Code of Conduct requires every student “to report to the instructor any suspected violation of the Code that he or she has observed.” I will refer any instances of academic dishonesty to the Stern School Discipline Committee. Types of sanctions that the Discipline Committee may impose for student code of conduct violations include suspension, probation, grade reduction, transcript notation or expulsion.

**COURSE SCHEDULE**

The schedule set forth below is subject to change as the need arises. All changes will be announced in class, announced via an email message and/or announced on Blackboard.

If you miss a lecture it is your responsibility to know about any announced changes. You should select two classmates to pick up a copy of any handouts and to give to you notes missed in the event of your absence.

All chapter references are to West’s Business Law (Ninth Edition).

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
<th>Assignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 7</td>
<td>Introduction</td>
<td>Ch. 1-3; Appendix A</td>
</tr>
<tr>
<td>Sept. 12</td>
<td>Introduction (cont’d)</td>
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**CONTRACTS AND SALES**

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
<th>Assignment</th>
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<tbody>
<tr>
<td>Sept. 14</td>
<td>Nature and Classification</td>
<td>Ch. 9 and Ch. 19 (pgs. 356-363) See Appendix C</td>
</tr>
<tr>
<td>Sept. 19</td>
<td>Agreement</td>
<td>Ch. 10 and Ch. 18 (pgs. 330-338) and Ch. 19 (pgs. 364-368)</td>
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</tbody>
</table>
Sept. 21  Agreement (cont’d)  Contract practice assignment distributed

*Sept. 21  Legal Analysis and Writing Session

Sept. 26  Consideration  Ch. 11 and Ch. 19 (pgs. 368-369)

Sept. 28  Capacity and Legality  Ch. 12 and Ch. 19 (pgs. 373-374)

Sept. 29  Contract Practice Assignment due.

Oct. 3 **  Genuineness and Assent  Ch. 13

Oct. 5  Statute of Frauds  Ch. 14; Ch. 18 (pgs. 338-341) and Ch. 19 (pgs. 369-373)

Oct. 10  Columbus Day Holiday

Oct. 12 **  Third Party Rights  Ch. 15

Oct. 17  Performance and Discharge  Ch. 16

Oct. 19  Breach and Remedies  Ch. 17; Contract Case Problem distributed.

Oct. 24  Contracts  (cont’d)

Oct. 26  MIDTERM

Oct. 27  Contract Case Problem due

**TORTS AND PRODUCT LIABILITY**

Oct. 31  Torts and Cyber Torts  Ch. 5

Nov. 2  Strict Liability and Product Liability  Ch. 6

Nov. 7  Warranties  Ch. 23; Second Case Problem distributed.
## AGENCY

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Chapter</th>
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<tbody>
<tr>
<td>Nov. 9</td>
<td>Agency Formation and Duties</td>
<td>Ch. 31</td>
</tr>
<tr>
<td>Nov. 14</td>
<td>Liability to Third Parties and Termination</td>
<td>Ch. 32</td>
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## BUSINESS ORGANIZATIONS

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 16</td>
<td>Sole Proprietorships and Partnerships</td>
<td>Ch. 35 (pgs. 696-697) and Ch. 36 (pgs. 707-724). See Appendices E and F.</td>
</tr>
<tr>
<td>Nov. 17</td>
<td>Case Problem due</td>
<td></td>
</tr>
<tr>
<td>Nov. 21</td>
<td>Limited Liability Companies and Limited Partnerships</td>
<td>Ch. 41. See Appendices G and I.</td>
</tr>
<tr>
<td>Nov. 23**</td>
<td>Corporate Formation and Financing</td>
<td>Ch. 37. See Appendix H. Business Organization Project distributed (See also Ch. 54 with respect to the project.)</td>
</tr>
<tr>
<td>Nov. 28</td>
<td>Corporate Directors, Officers and Shareholders</td>
<td>Ch. 38.</td>
</tr>
<tr>
<td>Nov. 30***</td>
<td>Corporate Merger, Consolidation and Termination</td>
<td>Ch. 39</td>
</tr>
<tr>
<td>Dec. 5</td>
<td>Business Organizations (cont’d)</td>
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<tr>
<td>Dec. 7</td>
<td>Investor Protection and Online Securities Offerings</td>
<td>Ch. 40. See Appendices J and K.</td>
</tr>
<tr>
<td>Dec. 9</td>
<td>Business Organization Project due.</td>
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<tr>
<td>Dec. 12</td>
<td>Investor Protection (cont’d)</td>
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<tr>
<td>Dec. 14</td>
<td>Review</td>
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**Final Exam (week of Dec. 16-23)**
* On Sept. 21, from 6:00pm – 7:15pm, in Tisch 201 Nicole and Andrew (teaching assistants) will present a special session (which will be taped and broadcast online for those students who will be unable to attend.) Details will be announced in class.

** On Oct. 3, Oct. 12 and Nov. 23, class for both sections will be held at 12:30 – 1:45 pm instead of at the regularly scheduled times. For Oct. 3 and Nov. 23, this class will be held in room Tisch 200. For Oct. 12, this class will be held in room UC 65. The sessions will be taped and broadcast online for those students who will be unable to attend. Details will be announced in class.

*** On Nov. 30, class will be held at the regularly scheduled times. Also, there will be a 12:30 – 1:45 pm session held in room Tisch 200 for both sections in order for groups to meet with their members and with me to discuss the Business Organization Project. Details will be announced in class.