1- SUBJECT DESCRIPTION

Law is a permanent and indispensable companion to business. All business transactions are subject to legal rules; all business companies are organized and administered according to the law. Clearly, this does not mean that a businessperson needs a law degree to be able to take well-reasoned business decisions. It does mean, however, that she requires a basic understanding of the legal fundamentals that will help her shape a better business strategy. This course aims to provide this understanding, focusing mostly on contract and corporate law. We will begin by examining the formation and termination of contracts, tort liability, and land and property transactions, to later study more specific corporate law issues such as the formation of different types of business entities, mergers and acquisitions and the contractual mechanics of business transactions. The course also pays special attention to issues of corporate governance. In this respect, we will examine typical principal-agent conflicts arising between the board and shareholders of a corporation as well as between its majority and minority shareholders.

The course will be approached from a comparative perspective, following a practical review of the two main legal systems, Civil Law and Common Law. Civil Law countries include the ones in Continental Europe and Latin America while English-speaking countries follow the Common Law tradition. This course will aim to draw attention to the similarities between these systems which, since globalization of the world economy, are significantly increasing as far as international financial and business transactions are concerned.

2- OBJECTIVES AND SKILLS

- To gain a fair understanding of the basic legal framework, public institutions and private organizations across the main developed countries of the world, mainly focusing on US law.
- To acquire a basic knowledge of the key questions of contract and corporate law.
- To understand how legal implications affect business decisions.
- To analyze the different agency problems within a company’s structure and possible legal strategies to address such conflicts.
- To identify strategies for reducing or managing legal risks of business decisions.
3- CONTENT

This course is separated into two parts. The first will provide a general understanding of basic legal concepts and institutions, with special emphasis on contract law, and the second will focus on basic notions of corporate law.

PART I

SESSION 1
The law for non-lawyers. Introduction to the Civil Law and Common Law systems.

SESSION 2
Sources of law. Case law, codes and codification.

SESSION 3
Courts and the judicial power: the role of judges and the legal process. Alternative means of dispute resolution.

SESSION 4
Contract Law (I). Elements of a contract.

SESSION 5

SESSION 6
Contract Law (III). Fraud, mistake, threats, abuse and misrepresentation.

SESSION 7

SESSION 8
Tort Law. Contracts vs. torts. Liability and negligence.

SESSION 9
Property Law. Ownership vs. possession. Personal property and real property.

SESSION 10
Examination Part I.
PART II

SESSION 11
Corporations (I). Partnerships and corporations. Introduction to public and private companies.

SESSION 12
Corporations (II). Public and private companies. Corporate law and agency problems.

SESSION 13
Corporations (III). The balance of power and shareholder interests. Governance structures.

SESSION 14
Corporations (IV). The balance of power and minority shareholder interests. Governance structures.

SESSION 15
Corporations (V). Directors’ liability.

SESSION 16
Case: Directors’ liability: related party transactions and corporate opportunities.

SESSION 17
Corporations (VI). Corporate transactions (capital increase, capital decrease, liquidation).

SESSION 18
Corporations (VII). Fundamental changes (mergers, spin offs).

SESSION 19
Corporations (VIII). Listed companies and investor protection.

SESSION 20

SESSION 21
Corporate crisis (I). Refinancing agreements and pre-insolvency.

SESSION 22
Corporate crisis (II). Insolvency proceedings.

SESSION 23
Corporate sale and purchase agreements (I). Due diligence.

SESSION 24
Corporate sale and purchase agreements (II). Basic legal aspects of the sale and purchase agreement.
SESSION 25
Corporate sale and purchase agreements (III). Shareholder agreements.

SESSION 26
Unfair competition.

SESSION 27
Consumer law.

SESSION 28
Intellectual property protection.

SESSION 29
Exam preparation. Q&A.

SESSION 30
Examination Part II.

4- METHODOLOGY AND ECTS WEIGHTING

The methodology will consist in a mixture of lectures, written group assignments and discussions of the written group assignments.

For each class, students will be requested to read the assigned readings that will help them to follow the class and/or to prepare a practical case in writing that will then be discussed in class. All assignments will be posted on the Internet platform CampusOnline in due time and further instructions may also be given during the previous class.

Sometimes written quizzes might be used at the beginning of a class in order to assess the progress of the students in the course.

5- EVALUATION SYSTEM

5.1. GENERAL OBSERVATIONS

Class attendance is compulsory and an unjustified absence of more than 25% of the classes will result in a mark of 0.0 for the subject. Students must do the readings and the assigned tasks for each class. Class participation is essential in order to pass the course.

5.2. EVALUATION AND WEIGHTING CRITERIA

Class sessions will include lecture and discussion. As to evaluation, there will be one grade for Part I, which will represent 30% of the grade corresponding to the whole course, and another grade for Part II, which will represent the remaining 70% of the final grade.

Part I: Students’ evaluation will be made upon performance on class participation and assignments (10%), and examination (20%). The examination of this part of the course will be a closed book multiple-choice exam.
Part II: Students’ evaluation will be made upon performance on class participation and assignments (20%) and examination (50%). The examination will be closed book and will consist of three or four carefully thought-out essay questions from a choice of six questions. There will be a combination of problem solving case questions and free writing questions. Students will be given a sample question one week before the examination.

5.3. RETAKE EXAM

If a student’s course grade is below 5.0, the student is required to take the retake exam to pass the course.

The maximum grade that students can obtain in the retake exam period is 8.0. A student who has missed over 30% of the class meetings will not be allowed to take the retake exam, but will only have two attempts left to pass the course during the following academic year.

The exam will cover everything that students have learned in class, including lectures, case discussions and group exercises.