

GOVERNORS STATE UNIVERSITY  
College of Business and Public Administration



Course Number & Title: BLAW 326B Business Law II  
Wednesday: 7:30-10:20 p.m.

Session: Winter Trimester 1998

Instructor: Richard Finkley, University Professor

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Office Hours: Monday: 12:15-2:00, 3:15-4:30 p.m.  
Wednesday: 12:30-2:00, 7:00-7:30 p.m.

Credit Hours: Three

Catalog Description: The study of law relating to business organization and the financing of transactions. Topics include partnerships, corporations, securities regulation, commercial paper, credit, secured transactions, and bankruptcy.

Prerequisite: BLAW 325

Textbook: Business Law and the Regulatory Environment: Concepts and Cases, 9th Edition by Metzger, et al, published by Irwin.

Course Type: Lecture/Discussion

Course Objectives:

Upon completion of this course, the student is able to:

1. Discuss the "problems" posed by "international law" for American business by examining concepts such as local custom in light of the Foreign Corrupt Practices Act, and offshore financing and global securities markets.
2. Discuss the adaptability of law to new technology in a context such as electronic funds transfer and nonbank banks.
3. Apply the basic principles of law relating to organizing and financing a business organization to resolve or, more importantly, to avoid legal problems.
4. Describe the pros and cons of the various forms of business organization and evaluate the appropriateness of a given form to a given context.

5. Apply the basic principles of commercial paper law to resolve or avoid legal problems from either an enterprise or individual perspective.
6. Apply the basic principles of commercial law in the functional areas of credit, secured transactions and bankruptcy to resolve or avoid legal problems.
7. Discuss strategies to protect creditors using legal concepts like trade acceptances, secured credit, perfected security interests, priority distributions in bankruptcy, nondischargeable debts and bankruptcy offenses as a bar to discharge.
8. Describe the statutory and common law liability of the accountant who provides or attests to erroneous financial information and understand the accounting practices which will avoid such liability.
9. Use critical thinking and reasoning skills to define the legal issues involved in a dispute, discuss the alternative outcomes, decide the issue, and effectively communicate such a well reasoned conclusion in oral or written form.
10. Recognize that even though a legal decision is logically derived, laws like action have consequences and what a law "has done" or "will do" must be considered.

#### EXAMS

Three hour exams (100 pts. each) and a final (200 pts.). Exams may consist of essay and/or objective questions.

Grading

Legal principles "live" through their application to factual situations. Knowing the five essential elements of a contract, for example, will do you little good if you cannot recognize that a promise is lacking in one of them and thus not enforceable in court. Understanding the law in a substantive area requires not only learning principles but also applying them to real world situations. The exams will weight knowledge of principles and their application equally.

The standard 90-80-70-60 grading scale will be applied to the highest score on each exam and to the total of highest scores for the course.

(For example) High Score on exam = 90  
 Grading Scale      A = 81-90  
                           B = 72-80  
                           C = 63-71  
                           D = 54-62

Experience indicates the following approximate grading scale for the course based on 500 possible points:

A = 85% and above  
 B = 75-84%  
 C = 65-74%  
 D = 55-64%  
 F = less than 55%

Students will be evaluated as follows:

| <u>Grade</u> | <u>Principles</u>                         | <u>Application</u>                        |
|--------------|-------------------------------------------|-------------------------------------------|
| A            | Superior                                  | Superior                                  |
| B            | Above average<br>Average<br>Superior      | Above average<br>Superior<br>Average      |
| C            | Average<br>Above average<br>Below average | Average<br>Below average<br>Above average |
| D            | Marginal                                  | Marginal                                  |
| F            | Unacceptable                              | Unacceptable                              |

SCHEDULE AND ASSIGNMENTS

| <u>WEEK OF</u> | <u>TOPIC</u>                                                                | <u>CHAPTER</u>            | <u>PROBLEMS</u>              |
|----------------|-----------------------------------------------------------------------------|---------------------------|------------------------------|
| 1/12           | Introduction to Partnership                                                 | 36                        | 2-4, 6-9                     |
| 1/19           | Operation of Partnership                                                    | 37                        | 1-6, 8-10                    |
| 1/26           | Ending Partnership<br>Limited Partnerships                                  | 38<br>39                  | 7-9<br>1, 2, 6               |
| 2/2            | <b>EXAM #1</b>                                                              | <b>(Chapters 36 - 39)</b> |                              |
| 2/9            | Introduction to Corporations<br>Organization &<br>Financing of Corporations | 40<br>41                  | 1-6, 8-10<br>1, 3-5          |
| 2/16           | Management of Corporations                                                  | 42                        | 1-6, 10                      |
| 2/23           | Shareholder's Rights<br>Securities Regulation                               | 43<br>44                  | 1, 3, 5, 6<br>1-5, 7, 11, 12 |
| 3/2            | <b>EXAM #2</b>                                                              | <b>(Chapters 40 - 44)</b> |                              |
| 3/9            | Negotiable Instruments                                                      | 30                        | 1-10                         |
| 3/16           | Negotiation and Holder<br>in Due Course                                     | 31                        | 1-11                         |
| 3/23           | Liability of Parties<br>Checks                                              | 32<br>33                  | 1-10<br>1-7                  |
| 3/30           | <b>EXAM #3</b>                                                              | <b>(Chapters 30 - 33)</b> |                              |
| 4/6            | Introduction to Credit<br>Secured Transactions                              | 27<br>28                  | 1-7<br>1-11                  |
| 4/13           | Bankruptcy                                                                  | 29                        | 1-7                          |
| 4/20           | <b>FINAL EXAM</b>                                                           | <b>(Comprehensive)</b>    |                              |

**Syllabus Statement for Persons with Disabilities:**

It is the intention of the institution to support full participation of all students, regardless of physical ability level. Therefore, if any student needs consideration of his/her physical abilities in order to complete the course, please notify the instructor as soon as possible.