

# LA310-30 Law of Business Organisations

**23/24**

**Department**

School of Law

**Level**

Undergraduate Level 3

**Module leader**

Irit Mevorach

**Credit value**

30

**Module duration**

20 weeks

**Assessment**

30% coursework, 70% exam

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

The module offers an analysis of the principles and contexts of UK company law.

[Module web page](#)

### Module aims

The module offers a comprehensive, critical and contextual analysis of the fundamental principles and concepts of UK company law. In the first term, it introduces different business structures, and considers the business' various stakeholders, focusing on the company, its formation, and the differences and implications of forming private or public companies. It then proceeds to discuss fundamental principles of corporate law- the corporate legal personality and limited liability, including their applications in the context of enterprise groups. It also considers how the corporate form may be disregarded, namely how the corporate (metaphorical) 'veil' separating between the company and the shareholders may be 'pierced', and whether there are (and should there be) other ways to make shareholders/parent companies responsible for debts or harm caused by companies/subsidiaries. It then explores how the companies themselves interact with external stakeholders and discusses companies' contractual rights and liabilities. Next, the module discusses

matters related to shareholding and corporate equity finance. It explores the way shareholders invest in a company, the theories, policies, and rules concerning the share capital, how the share capital may be reduced or increased, and issues related to class rights of shareholders, and finally the module in the first term explore the rules and underlying policies concerning dividend/distributions to the company shareholders.

In the second term, the module addresses issues related to corporate governance, and in this regard the range of directors' duties originating in the common law and codified in the Companies Act. It introduces the duties, and the underlying policies, considers who owes them and to whom. It discusses the internal effects of directors acting outside the company constitution and powers, and the additional duties- to promote the success of the company; to exercise independent judgment, the duty of care, skill, and diligence; the duty to avoid a conflict of interest, and directors' liabilities for breach of duty. It then discusses the shareholders remedies against directors- unfairly prejudicial remedy and the derivative actions. Next, it discusses the duties which focus on the creditors- the 'creditor-regarding' directors' duties in the Companies Act, and the wrongful trading provision in the Insolvency Act. It continues to discuss loan finance- creditors and company charges, and finally the objectives, principles, and key rules of corporate insolvency, including cross-border aspects.

## **Outline syllabus**

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

Term 1 - Introduction to business, corporate law and equity finance

- Business forms, stakeholders, and the company constitution
- Corporate personality, limited liability
- Piercing the corporate veil, enterprise groups
- Corporate contracting- capacity and introduction to authority to enter into contracts
- Corporate contracting- authority, common law and statutory protections
- The company shareholders and the share capital- policy, theory, key rules
- Payment for shares
- Share buy back and reduction of capital, variation of class rights
- Distributions to shareholders, dividends

Term 2 - Introduction to corporate governance, debt finance, and insolvency

- Directors' duties- introduction, codification, aims, to whom duties are owed, duty to act within powers
- Directors' duties- duty to promote the success of the company, independent judgment, care, skill, and diligence
- Directors' duties- duty to avoid conflicts
- Directors' duties- breaches and liabilities
- Unfairly prejudicial remedy, and derivative claims
- Creditor-regarding duties and wrongful trading
- Corporate borrowing- secured creditors and company charges
- Corporate insolvency- objectives, procedures, key principles
- Corporate insolvency- cross-border aspects

## Learning outcomes

By the end of the module, students should be able to:

- Understand the historical, political, economic and transnational contexts in which the law of business organizations has developed and continues to develop
- Understand basic concepts of company law and their influence on common and statutory law developments
- Recognise and manage the holistic nature of company law
- Appreciate the wide-ranging influence of corporate activity and the law relating to it
- Be familiar with the general body of company and related legislation
- Understand and apply rigorously specific statutory provisions
- Identify the range of judicial approaches to company law disputes
- Apply creatively the case law to continuing areas of legal uncertainty and to specific events in the news, e.g. take-overs
- Formulate and evaluate policy arguments at all levels of company law
- Appreciate different legal cultures in the company law sphere and draw comparisons where appropriate
- Be prepared to identify and search out the most appropriate sources
- Assimilate seminar materials and apply these to specific questions set for the seminarWork in a team, and be sympathetic to other contributions
- Apply the themes/issues developed in lectures and seminars to current eventsWork unsupervised as the main mode of work

## Indicative reading list

Brenda Hannigan, Company Law (Oxford University Press 2021)

Blackstone Statutes on Company Law 2023-2024 (OUP) (or online equivalent)

## Subject specific skills

No subject specific skills defined for this module.

## Transferable skills

No transferable skills defined for this module.

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## Study

### Study time

Type	Required
Lectures	36 sessions of 1 hour (12%)
Total	300 hours

<b>Type</b>	<b>Required</b>
Seminars	14 sessions of 1 hour (5%)
Private study	250 hours (83%)
Total	300 hours

### **Private study description**

No private study requirements defined for this module.

### **Costs**

No further costs have been identified for this module.

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### **Assessment**

You do not need to pass all assessment components to pass the module.

Students can register for this module without taking any assessment.

### **Assessment group D8**

	<b>Weighting</b>	<b>Study time</b>
2500 Word Essay	30%	
Students will write an essay on one of a selection of given topics.		
Online Examination	70%	
~Platforms - AEP		

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- Online examination: No Answerbook required
- LA020: Students to bring own Relevant Statutes

### **Feedback on assessment**

Feedback for essay on Tabula. Generic feedback for the exam will be provided on Moodle, with the option for one to one feedback by student request in October.

[Past exam papers for LA310](#)

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### **Availability**

## Courses

This module is Core for:

- Year 3 of UIBA-MN34 Law and Business Four Year (Qualifying Degree)
- Year 3 of UIBA-MN31 Undergraduate Law and Business Studies
- Year 3 of UIBA-MN32 Undergraduate Law and Business Studies
- Year 4 of UIBA-MN37 Undergraduate Law and Business Studies (Qualifying Degree) with Intercalated Year
- UIBA-MN35 Undergraduate Law and Business Studies with Intercalated Year (3+1)
  - Year 3 of MN35 Law and Business Studies with Intercalated Year (3+1)
  - Year 4 of MN35 Law and Business Studies with Intercalated Year (3+1)
- Year 4 of UIBA-MN36 Undergraduate Law and Business Studies with Intercalated Year (4+1)

This module is Optional for:

- Year 3 of ULAA-M300 Undergraduate Law
- ULAA-M105 Undergraduate Law (3 year) (Qualifying Degree)
  - Year 3 of M105 Law (3 year) (Qualifying Degree)
  - Year 3 of M105 Law (3 year) (Qualifying Degree)
- ULAA-M106 Undergraduate Law (4 year) (Qualifying Degree)
  - Year 3 of M106 Law (4 year) (Qualifying Degree)
  - Year 4 of M106 Law (4 year) (Qualifying Degree)
- Year 4 of ULAA-M104 Undergraduate Law (Year Abroad)
- ULAA-M108 Undergraduate Law (Year Abroad) (Qualifying Degree)
  - Year 4 of M108 Law (Year Abroad) (Qualifying Degree)
  - Year 4 of M108 Law (Year Abroad) (Qualifying Degree)
- Year 3 of ULAA-ML33 Undergraduate Law and Sociology
- Year 3 of ULAA-M110 Undergraduate Law with Humanities (3 Year)
- Year 3 of ULAA-M113 Undergraduate Law with Humanities (4 Year) (Qualifying Degree)
- UPHA-V7MW Undergraduate Politics, Philosophy and Law
  - Year 3 of V7MW Politics, Philosophy and Law
  - Year 3 of V7MW Politics, Philosophy and Law
- Year 4 of UPHA-V7MX Undergraduate Politics, Philosophy and Law (with Intercalated Year)

This module is Unusual option for:

- UPHA-V7MW Undergraduate Politics, Philosophy and Law
  - Year 2 of V7MW Politics, Philosophy and Law
  - Year 2 of V7MW Politics, Philosophy and Law
  - Year 3 of V7MW Politics, Philosophy and Law
  - Year 3 of V7MW Politics, Philosophy and Law
- Year 4 of UPHA-V7MX Undergraduate Politics, Philosophy and Law (with Intercalated Year)

This module is Option list A for:

- Year 4 of ULAA-M10A Undergraduate Law with French Law (Qualifying Degree)

- Year 4 of ULAA-M10C Undergraduate Law with German Law (Qualifying Degree)
- Year 4 of ULAA-M113 Undergraduate Law with Humanities (4 Year) (Qualifying Degree)
- ULAA-M115 Undergraduate Law with Social Sciences (3 Year) (Qualifying Degree)
  - Year 3 of M115 Law with Social Sciences (3 year) (Qualifying Degree)
  - Year 3 of M115 Law with Social Sciences (3 year) (Qualifying Degree)

This module is Option list B for:

- ULAA-ML34 BA in Law and Sociology (Qualifying Degree)
  - Year 3 of ML34 Law and Sociology (Qualifying Degree)
  - Year 4 of ML34 Law and Sociology (Qualifying Degree)
- Year 5 of ULAA-ML35 BA in Law and Sociology (Qualifying Degree) (with Intercalated year)
- Year 4 of ULAA-ML33 Undergraduate Law and Sociology

This module is Option list E for:

- UPHA-V7MW Undergraduate Politics, Philosophy and Law
  - Year 2 of V7MW Politics, Philosophy and Law
  - Year 2 of V7MW Politics, Philosophy and Law