

LA310-30 Law of Business Organisations

24/25

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

Description

Introductory description

The module offers a systematic, critical, and contextual analysis of the key principles, concepts, and issues in UK company and insolvency law.

[Module web page](#)

Module aims

In the first term, we will introduce different business structures, and consider the business' various stakeholders, focusing on the company, its formation, and the differences and implications of forming private or public companies. We will proceed to discuss fundamental principle of corporate law, such as separate corporate personality and limited liability, and consider their consequences in the context of enterprise groups. We will also consider 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 (or should be) other ways to make shareholders/parent companies responsible for debts or harms caused by companies/subsidiaries. We will then explore how the companies themselves interact with external stakeholders and discuss companies' contractual rights and liabilities. Next, we will discuss matters related to

shareholding and equity finance. We will explore the way shareholders invest in a company, and examine the theories, policies, and rules concerning the share capital, with a special emphasis on how share capital may be reduced or increased, and issues related to class rights of shareholders. Finally, we will explore the rules and underlying policies concerning dividends/distributions to company shareholders.

In the second term, we will address issues related to corporate governance, and in this regard the range of directors' duties originating in common law and codified in the Companies Act 2006. Following an overview of the duties, we will consider who owes them and to whom, paying special attention to the underlying policy debate. We will examine the internal effects of directors acting outside the company constitution and powers, before looking at the remaining 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 at directors' liabilities for breach of duty. We will then discuss shareholders' remedies against directors, such as the unfairly prejudicial remedy and derivative actions. Next, we will turn our attention to the what may be called the 'creditor-regarding' duties of directors as defined in the Companies Act 2006 and the wrongful trading provision in the Insolvency Act 1986. We then address issues related to corporate borrowing, secured creditors, and company charges, before looking at the objectives, principles, and key rules governing corporate insolvency, including aspects of cross-border insolvency.

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, company law, and equity finance

- Business forms; stakeholders; the company constitution
- Corporate personality; limited liability
- Piercing the corporate veil; enterprise groups
- Corporate contracting: capacity; 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: codification; 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; 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 basic concepts of company law, including aspects of corporate insolvency, and their evolution through common and statutory law developments
- 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
- Formulate and evaluate policy arguments regarding aspects of company law
- Assimilate seminar materials and apply these to specific questions set for the seminar
- Apply the themes/issues developed in lectures and seminars to current events

Indicative reading list

Brenda Hannigan, Company Law (Oxford University Press 2021)

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

[View reading list on Talis Aspire](#)

Subject specific skills

Evaluate and understand current events revolving around companies.

Develop ability to analyse and resolve problem scenarios involving companies and their stakeholders.

Enhance independent critical thinking about current legal and policy issues in company and insolvency law.

Develop ability to identify and search out the most appropriate sources.

Transferable skills

Develop independent, analytical, and critical thinking skills.

Improve ability to communicate complex ideas.

Enhance ability to develop, structure, and deliver persuasive lines of argument.

Mobilise multiple source materials in the service of an analytical argument.

Work in a team and be sympathetic to other contributions.

Work unsupervised as the main mode of work.

Study

Study time

Type	Required
Lectures	36 sessions of 1 hour (12%)
Seminars	14 sessions of 1 hour (5%)
Private study	188 hours (63%)
Assessment	62 hours (21%)
Total	300 hours

Private study description

No private study requirements defined for this module.

Costs

No further costs have been identified for this module.

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 D9

	Weighting	Study time
2500 word essay	30%	60 hours
Students will write an essay on one of a selection of given topics.		
Examination	70%	2 hours
~Platforms - AEP		

- Online examination: No Answerbook required

Feedback on assessment

Individual written feedback and general (cohort) feedback (standard Law School policy).

[Past exam papers for LA310](#)

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