

LEGL2002: Law of Business Organisations

Newcastle City Precinct
Semester 1 - 2024



THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA

OVERVIEW

Course Description Business organisations are the engines of national economies and key to economic growth and economic development. The Law of Business Organisations introduces students primarily to the registered company as the dominant legal form for carrying on a business. It considers the legal framework that determines how a company deals with the issues of formation, financing, accountability, internal and external relations and insolvency. It also compares and contrasts the company with other types of business organisation, including sole-tradership, partnerships, joint-ventures and co-operatives.

Requisites This course is only available to students who have successfully completed LEGL1001.

Assumed Knowledge LEGL1001

Contact Hours Newcastle City Precinct

Online Activity

Online
2 hour(s) per Week for Full Term

Seminar

Face to Face On Campus
2 hour(s) per Week for Full Term

Unit Weighting Workload 10
Students are required to spend on average 120-140 hours of effort (contact and non-contact) including assessments per 10 unit course.

COURSE OUTLINE

CONTACTS

Course Coordinator

Newcastle City Precinct

Dr Samuel Berhanu Woldemariam

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Consultation: Email, discussion forum via Canvas, and face-to-face.

Face-to-face appointments will need to be scheduled through email.

Newcastle Law School

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NUSpace

409 Hunter Street

Newcastle

Law-School@newcastle.edu.au

SYLLABUS

Course Content

Topics covered in the course include the following:

- Choosing a legal structure for a business
- Companies and incorporation
- The company constitution
- Promoters and pre-registration contracts
- Companies, outsiders and corporate liability
- Membership, members' powers and dividends
- Corporate governance and company management
- Directors' and officers' duties
- Financing a company via equity or debt
- Members' remedies
- Receivership and administration
- Insolvency

Course Learning Outcomes

On successful completion of this course, students will be able to:

1. Identify and compare the key legal features of the main legal forms of business organisations.
2. Evaluate the factors that influence the choice of legal form for a business enterprise.
3. Explain the legal relationship in a company between the board of directors, members and executive officers in a company.
4. Identify the role of law in corporate management and governance.
5. Analyse the legal rules that enable and restrict business dealings, including raising capital and transacting with others.
6. Evaluate the strengths and weaknesses of the legal options available to shareholders and directors of a company in times of financial stress.

Course Materials The prescribed textbook for this course is:

E Chapple, A Wong, R Baumfield, R Copp, R Cunningham, A Kamalnath, K Watson, P Harpur, *Company Law: An Interactive Approach* (Wiley 2nd edition 2020)

It is **essential** that all students purchase a hard copy of this textbook.

Each printed copy of the textbook includes a code that gives one student access to the interactive e-text version of the prescribed textbook. This e-text version includes videos and other interactive features that will take the place of online lectures for the purpose of this course.

Students can use the code in the textbook they purchase to access the e-text version online at <https://bookshelf.vitalsource.com>. Students may also choose to download the Bookshelf app so that they can access the e-text when working offline. **It is highly recommended that you buy the hard copy of the textbook as you will not be allowed to use eBooks during the final exam. You can, however, bring in your hard copy textbook.**

In this course, we will frequently refer to the *Partnership Act 1892* (NSW) and the *Corporations Act 2001* (Cth). You can access them using the links below:

- The *Partnership Act 1892* (NSW) at: [NSW Government website](#).
- The *Corporations Act 2001* (Cth) can be downloaded ([six volumes](#)) from the Federal Register of Legislation website at:
(<https://www.legislation.gov.au/Home>)
- or you can also access it online at the AustLII site at:
(http://www.austlii.edu.au/cgi-bin/viewdb/au/legis/cth/consol_act/ca2001172/).

Alternatively, you could purchase a paper copy of the *Corporations Act* from CCH:

[Australian Corporations & Securities Legislation 2020, Volume 1 \(CCH\)](#),

or LexisNexis:

Australian Corporations Legislation 2020, Student Edition (LexisNexis).

General Texts:

You may also find these other textbooks useful:

- P Hanrahan, I Ramsay, G Stapledon, *Commercial Applications of Company Law*, 21th edition, Oxford University Press (Australia and New Zealand), 2020
- J Harris, A Hargovan, M Adams, *Australian Corporate Law*, 6th ed, LexisNexis Butterworths, Australia, 2017

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- J Harris, *LexisNexis Study Guide: Corporations Law*, 3rd ed, LexisNexis Butterworths, 2014
 - P Lipton, A Herzberg, M Welsh, *Understanding Company Law*, 20th ed, Thomson Reuters, 2019
 - J Fitzpatrick, C Symes, A Veljanovski, D Parker, *Business and Corporations Law*, 4th ed, LexisNexis Butterworths, Australia, 2019

TIMETABLE

There are **TWO** face-to-face seminars scheduled for this course and all students should be enrolled in one of these classes:

- Seminar 1: Tuesday, 12pm-2pm, X320
- Seminar 2: Friday, 7pm-9pm, X-320

SCHEDULE

Week	Week Begins	Topic	Learning Activity	Assessment Due
1	26 Feb	Choosing a legal structure for a business – part A	Legal problem solving Online MCQ Practice Test	
2	4 Mar	Choosing a legal structure for a business – part B	Legal problem solving Online MCQ Practice Test	
3	11 Mar	Companies and incorporation	Legal problem solving Online MCQ Practice Test	
4	18 Mar	The company constitution / Promoters and pre-registration contracts	Legal problem solving Online MCQ Practice Test	
5	25 Mar	Companies, outsiders and corporate liability	Legal problem solving Online MCQ Practice Test	Online, Revision Test 10% (Multiple Choice Questions 1–MCQs)
6	1 Apr	Membership, members' powers and dividends	Legal problem solving Online MCQ Practice Test	
7	8 April	Corporate governance and company management	Legal problem solving Online MCQ Practice Test	
Mid Semester Break				
Mid semester Break				
8	29 April	Directors' and officers' duties – part A	Legal problem solving Online MCQ Practice Test	
9	6 May	Directors' and officers' duties – part B	Legal problem solving Online MCQ Practice Test	Problem Question Assignment 30% due on Monday, 6 th of May at 11: 59 pm
10	13 May	Financing a company via equity or debt	Legal problem solving Online MCQ Practice Test	
11	20 May	Members' remedies	Legal problem solving Online MCQ Practice Test	
12	27 May	Receivership and administration/Insolvency	Legal problem solving Online MCQ Practice Test	Online, Revision Test 10% (Multiple Choice Questions 2–MCQs)
13	3 June May	No class	Study for final exam week	
Examination Period				
Examination Period				

ASSESSMENTS

This course has four (4) assessments. Each assessment is described in more detail in the sections below.

	Assessment Name	Due Date	Involvement	Weighting	Learning Outcomes
1	Revision test 1 (MCQs)	Online, Week 5 commencing on 25 th Mar	Individual	10%	1, 2, 3
2	Problem Question Assignment	Monday 6 th May at 11:59 pm via Turnitin	Individual	30%	4, 5, 6
3	Revision test 2 (MCQs)	Online, Week 12 commencing on 27 th of May	Individual	10%	1, 2, 3
4	Final Exam	During the formal exam period	Individual	50%	1, 2, 3, 4, 5, 6

To ensure that grades are fair both within and between courses and cohorts, Newcastle Law School has a rigorous policy of moderating and reviewing assessment. The School Assessment Board (SAB) reviews all final grades before they are released to students, and the SAB process may result in the overall marks of a class being moved up or down by a specific amount, thus impacting individual marks. This is consistent with grading practices in other Law Schools across the country and important to ensure the integrity of assessment. This means that the final grade you are awarded may not be the sum of marks you have received in all assessments.

Late Submissions

The mark for an assessment item submitted after the designated time on the due date, without an approved extension of time, will be reduced by 10% of the possible maximum mark for that assessment item for each day or part day that the assessment item is late. Note: this applies equally to week and weekend days.

Assessment 1 - Revision Test 1 (MCQ)

Assessment Type	Multiple Choice Question Test (MCQ)
Description	Revision Test
Weighting	10% (10 questions, each worth 1 mark)
Due Date	Online in Week 5 commencing the 25 th of Mar
Submission Method	Online on Canvas
Assessment Criteria	Marks will be allocated for correct responses to the MCQs
Return Method	Marks will be available in Canvas
Feedback Provided	In the seminar class in the week following the test

Assessment 2 - Problem Question Assignment

Assessment Type	Case Study / Problem-Based Learning
Description	The task will involve a legal problem and will use a number of directed questions to assess student's ability to identify correct legal issues and apply relevant case law and statutory provisions in the <i>Corporations Act 2001 (Cth)</i>
Weighting	30%
Due Date	Monday 6 th of May at 11:59 pm
Submission Method	Electronic submission on Canvas via Turnitin
Assessment Criteria	Marks will be allocated on the basis of clear writing and drawing logical conclusions regarding the application of relevant legal rules to the facts in the legal problem
Return Method	Turnitin
Feedback Provided	In-text comments will be made on the submission using Feedback Studio and will be available to students via Turnitin

Assessment 3 - Revision Test 2 (MCQ)

Assessment Type	Multiple Choice Question Test (MCQ)
Description	Revision Test
Weighting	10% (10 questions, each worth 1 mark)
Due Date	Online in Week 12 commencing the 27 th of May
Submission Method	Online on Canvas
Assessment Criteria	Marks will be allocated for correct responses to the MCQs
Return Method	Marks will be available in Canvas
Feedback Provided	On Canvas

Assessment 4 - Final Exam

Assessment Type	Formal Examination (In person invigilated exam)
Description	MCQs (20%) and two (2) problem-based questions (15% each=30%). Alternatively, three (3) problem-based questions (3 x 16.7% = 50%); or a combination of them. The problem-based questions will use several directed questions to assess your ability to identify correct legal issues and apply legal rules, including relevant case law and statutory provisions in the <i>Corporations Act 2001 (Cth)</i> . The exam will take place in a face-to-face invigilated format. More details will be provided in due course.
Weighting	50%
Due Date	During the formal exam period
Submission Method	In the Examination Room.
Assessment Criteria	For the MCQs and the short-answer questions, marks will be allocated based on correct responses. For the problem-based questions, marks will be allocated based on clear writing and drawing logical conclusions regarding the application of relevant rules to the facts in the legal problem

Feedback Provided Students may request meetings with the course coordinator to discuss their exam answers and marks

ADDITIONAL INFORMATION

Grading Scheme

This course is graded as follows:

Range of Marks	Grade	Description
85-100	High Distinction (HD)	Outstanding standard indicating comprehensive knowledge and understanding of the relevant materials; demonstration of an outstanding level of academic achievement; mastery of skills*; and achievement of all assessment objectives.
75-84	Distinction (D)	Excellent standard indicating a very high level of knowledge and understanding of the relevant materials; demonstration of a very high level of academic ability; sound development of skills*; and achievement of all assessment objectives.
65-74	Credit (C)	Good standard indicating a high level of knowledge and understanding of the relevant materials; demonstration of a high level of academic achievement; reasonable development of skills*; and achievement of all learning outcomes.
50-64	Pass (P)	Satisfactory standard indicating an adequate knowledge and understanding of the relevant materials; demonstration of an adequate level of academic achievement; satisfactory development of skills*; and achievement of all learning outcomes.
0-49	Fail (FF)	Failure to satisfactorily achieve learning outcomes. If all compulsory course components are not completed the mark will be zero. A fail grade may also be awarded following disciplinary action.

*Skills are those identified for the purposes of assessment task(s).

Communication Methods Communication methods used in this course include: emails, one-to-one consultation, and discussion forums in Canvas

Course Evaluation Each year feedback is sought from students and other stakeholders about the courses offered in the University for the purposes of identifying areas of excellence and potential improvement.

Academic Misconduct All students are required to meet the academic integrity standards of the University. These standards reinforce the importance of integrity and honesty in an academic environment. Academic Integrity policies apply to all students of the University in all modes of study and in all locations. For the Student Academic Integrity Policy, refer to <https://policies.newcastle.edu.au/document/view-current.php?id=35>.

Adverse Circumstances You are entitled to apply for special consideration because adverse circumstances have had an impact on your performance in an assessment item. This includes applying for an extension of time to complete an assessment item. Prior to applying,

you must refer to the Adverse Circumstances Affecting Assessment Items Procedure, available at <https://policies.newcastle.edu.au/document/view-current.php?id=236>. All applications for Adverse Circumstances must be lodged via the online Adverse Circumstances system, along with supporting documentation.

**Important Policy
Information**

The 'HELP for Students' tab in UoNline contains important information that all students should be familiar with, including various systems, policies and procedures.

This course outline was approved by the Head of School. No alteration of this course outline is permitted without Head of School approval. If a change is approved, students will be notified and an amended course outline will be provided in the same manner as the original.

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