

SCHOOL OF ACCOUNTING & COMMERCIAL LAW

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COML 111 LAW FOR BUSINESS

Trimester Two 2007

COURSE OUTLINE

Contact Details

| | | |
|------------------------------------|---|---|
| <i>Course Coordinator/Lecturer</i> | Mr David Dunbar Email: | RH 624 Phone: 463 7422 David.Dunbar@vuw.ac.nz |
| <i>Lecturers</i> | Yvonne van Roy Email: Mr David Dunbar | RH 605 Phone: 463 6762 Yvonne.vanRoy@vuw.ac.nz |
| <i>Administrative</i> | Ms Sandy Fackney Email: | RH 710 Phone: 463 6680 Sandy.Fackney@vuw.ac.nz |
| | Ms Marina Dobrovolskaya Email: | RH 708 Phone: 463 5383 Marina.Dobrovolskaya@vuw.ac.nz |

Class Times and Room Numbers

Monday, Tuesday and Friday, 16.10-17.00pm, EA LT 006

Course Objectives

Students passing this course should be able to:

1. Understand the general legal environment within which business enterprises operate in New Zealand.
2. Understand the significance of statute and case law, and the general operation of the legal system.
3. Attain an understanding of basic legal structures and the law that constitute and regulate businesses and the business environment.
4. Identify legal issues and provide potential solutions to legal problems within the business environment.

Course Content

A general introduction to the legal issues encountered in business with particular emphasis on business enterprises. A wide variety of legal issues will be covered in this context, including the formation and management of business enterprises, responsibilities and duties of directors, employment and contract law, consumer law, and issues in tax law, and the law relating to intellectual property.

Readings

I. Eagles et al., Law in Business & Government in New Zealand (Palatine Press, Auckland)
P Gerbic & M. Lawrence: Understanding Commercial Law (Butterworths, Wgtn)
J. Hubbard, C Thomas, S.Varnham: Principles of Law for New Zealand Business (Pearson Education NZ Ltd, Auckland)
M.McDowell & D.Webb: The New Zealand Legal System (Butterworths, Wgtn)
R.D. Mullholland: Introduction to the New Zealand Legal System (Butterworths, Wgtn)

Note: Students are **NOT** required to purchase any of these books.

Textbook

The text for the course consists of **two sets of course materials and two sets of Presentations and Tutorials** available from the student notes shop. It is highly recommended that, prior to lectures, you read the appropriate sections from both sets of the course materials and Presentations and Tutorials as indicated in the course materials or by the lecturers. There is no charge for class handouts. Copies of class handouts will also be available on Blackboard.

Assessment Requirements

The items of assessment for this course are a terms test, a legal exercise, and a final examination. Students must do **all three** items of assessment. The legal exercise and terms test must be to a satisfactory standard in order to meet the “course requirements” (see below). However, the marks for these items of assessment will be totalled in whichever of the following three ways is most favourable to the student.

| | | | |
|---------------|----------------|------------------|------|
| EITHER | Terms Test | 100 marks | 20% |
| | Legal Exercise | 150 marks | 30% |
| | Final Exam | <u>250 marks</u> | 50% |
| | TOTAL | <u>500 marks</u> | 100% |

| | | | |
|-----------|------------|------------------|------|
| OR | Terms Test | 100 marks | 20% |
| | Final Exam | <u>400 marks</u> | 80% |
| | TOTAL | <u>500 marks</u> | 100% |

(In this case the mark for the Legal Exercise will not count)

| | | | |
|-----------|----------------|------------------|------|
| OR | Legal Exercise | 150 marks | 30% |
| | Final Exam | <u>350 marks</u> | 70% |
| | TOTAL | <u>500 marks</u> | 100% |

(In this case the mark for the Terms Test will not count)

The Legal Exercise is due on Friday 21 September. (Exercises can be placed in the box marked “COML 111 Legal Exercises” on the second floor of the Murphy Building.)

In order to obtain an A+ pass, a student will require a total of at least 85 marks, an A pass requires a total of at least 80%, an A- pass requires a total of at least 75%, a B+ pass requires a total of at least 70%, a B pass requires a total of at least 65%, a B- pass requires a total of at least 60%, a C+ pass requires a total of at least 55% and a C pass requires a total of at least 50%. *No student will be credited with a pass if she/he does not get at least 40% in the final examination, irrespective of in-term percentages.*

Tutorial Sessions

There will be 8 tutorials, in the weeks beginning:

1. 23 July
2. 30 July
3. 6 August
4. 10 September
5. 17 September
6. 24 September
7. 1 October
8. 8 October

You will be given an opportunity to sign up for the tutorials on a first-come-first served basis. The instructions for signing up are attached as page 8 of this Course Outline and will also be posted on Blackboard. The completed tutorial lists will be posted on the commercial law notice board and Murphy level two notice boards.

Terms Test

The Terms Test will be held on **Tuesday 14 August**. The **Room location and time to be advised**. All students must attend the Terms Test. Material which is examinable for the Terms Test includes all material taught in the first 5 weeks of the course (that is, up to and including Friday 10 August).

Your terms test script will be marked and returned to you.

Legal Exercise

The Legal Exercise is 1500 words (max), due **Friday 21 September** (see further information below). The Legal Exercise topic will be distributed in lectures.

Basic Requirement For Your Exercise

(Note that marks will be deducted for failure to comply with these requirements.)

1. Do not grossly exceed the 1500 word limit (10% tolerance is acceptable) - after this point the work will not be marked.
2. The due date of **Friday 21 September** will be strictly adhered to and late exercises will have a flat 5% penalty deducted per day late. (For example, a mark of 67% would become 62% a day later). (However, if you consider you have a good reason for not meeting this deadline, please see the course coordinator as soon as you know you will have this problem and before the due date.) Exercises can of course be handed in early.
3. Use footnotes to reference ideas or quotations from another work. For guidance on footnoting, look at the way this is done in the chapters included in your course materials. Please note that you should not cite lecture notes or your course materials. Cite the

specific article or chapter instead. If quoting websites, use only websites with authoritative value, and cite that authority along with the website details (eg. www.nzx.com for the New Zealand Stock Exchange).

4. There should be a bibliography, listing the sources of information you have used for your exercise (note that a bibliography is not a substitute for footnotes - you must have both).
5. Provide a separate cover sheet that shows:
 - The Title
 - Your Name
 - The Course Code
6. Leave a 2 inch (5 cm) margin, to enable room for comments.
7. Write clearly or type your work.
8. Do not plagiarise. Plagiarism is not acceptable in any form in University courses. Plagiarism takes many forms and includes:
 - Deliberately copying another student's work;
 - Copying directly from textbooks and other sources without using quotation marks;
 - Not acknowledging the sources you have used in your work (ie you must cite all references);
 - Re-submitting an assignment used in one course as an original piece of work for another course.

Work which shows evidence of plagiarism will be penalised in line with the seriousness of the case. This may involve work being returned unmarked. In extreme cases, University academic disciplinary procedures may be invoked. (See General University Policies and Statutes – pg8).

Guide To Your Legal Exercise Writing

Exercises are intended to encourage you to read, to organise what you read, to think about it, to summarise it, to comment on its significance, and to make judgements and comparisons where necessary. We want you to develop your own ability to think and to research. We are looking for evidence that you have thought carefully and critically about the ideas that you are exposed to.

(a) The question

Read the question carefully. Note key words such as: assess, compare, relate etc. Be sure that you understand the topic. If you don't, make the appropriate enquiries. Do not ignore any part of the question.

(b) Structure the answer

When you have decided what the wording asks you to do, a number of points will suggest themselves, depending on your background knowledge. Limit yourself rigorously to those points you consider relevant to answering the question. If you fill your answer with irrelevant material it will only demonstrate that you have not understood the question. Each paragraph should be a cohesive, integrated unit, dealing with one main idea. There will be explanation or elaboration, leading to a summation or judgement, with a clear link to the next paragraph. Paragraphs assist the reader to follow, stage by stage, the process of your argument.

(c) Writing the exercise

Write clearly and simply. Often, reading the exercise aloud will help you to see if you are communicating effectively and whether your paragraphs flow naturally and in a logical sequence.

It is required by University Statute that you keep your language gender neutral. You can almost always avoid the clumsy “he/she” construction by using plurals or by restructuring the sentence.

Errors in grammar and spelling occur far too frequently. Use a dictionary, and when in doubt consult a reference book such as *Fowler’s Modern English Usage*, or Wallace, D & Janet Hughes. 1995 *Style Book: A guide for New Zealand Writers and Editors*, GP Publications. Common problems are incorrect use of apostrophes, use of one sentence paragraphs, and sentences with no verbs.

Write legibly, on one side of the paper only. Typed or printed exercises should be double spaced. Make sure that you do not exceed the word limit for the exercise. Length is not a virtue, and can be a vice. Do not be afraid to stop writing if you feel you have covered the material satisfactorily. Reducing the length of your exercise to keep within the word limit often results in a more focused and better written exercise.

Mandatory Course Requirements

To meet the mandatory course requirements you must:

1. Attend six out of eight tutorials; and
2. Obtain at least 40% for the terms test and legal exercise combined (Note: both terms test and exercise are compulsory); and
3. Obtain an overall mark of at least 50%.

Failure to meet mandatory course requirements will mean the student will not pass the course and will receive either a K, D or E grade, depending on whether you achieve 50% or not in the course overall.

Basic case-study scenario

Three friends, Peter, Norman and Mary Jane have decided to set up in business together, capitalizing on the scientific knowledge of two of the friends and the business acumen and financial resources of Norman. Mary Jane and Peter studied biochemistry together at Victoria University in Wellington. Mary Jane went to Munich University to complete a PhD, and worked there for two years as a post-doctoral fellow, involved with the research into the use of spider silk, and the development of an artificially-produced commercial product. She has recently married a New Zealander and returned to New Zealand. Peter completed his PhD at Victoria University and went on to work for one of New Zealand's' Crown Research Institutes. The third member of the group, Norman, has been working for several years as a financial markets dealer. He has been very successful, and is now looking for a less stressful occupation in which he can invest his substantial funds, and use his entrepreneurial talents. Peter and Norman grew up in the same street, and have been friends for many years. Both are members of the local sky diving club, and have recognised the business opportunities existing for a material which is as light and strong as spider silk. (Spider silk is light weight, flexible, water proof, repairs itself when water is added, and is one of the toughest materials in the world).

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar or go to www.vuw.ac.nz/policy.

For information on the following topics, go to the Faculty's website www.vuw.ac.nz/fca under Important Information for Students:

- Academic Grievances
- Academic Integrity and Plagiarism
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 463 5233 ext. 8977. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.

Detailed Tutorial Signup Instructions

1. Go to the signup website at: <https://signups.vuw.ac.nz>
2. Enter your SCS username and password to login the system.
3. The “Signup Home” page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on the course you wish to sign up for.
4. The selected course page opens. It will show the course contact and brief details of the signup instructions. A “key” is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorial sessions.
6. If there are spaces left in a particular session, you will see the “ENROL” button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the “JOIN WAITLIST” button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only “JOIN WAITLIST” if you have already enrolled in one of the other available sessions. In other words, “ENROL” in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to “WITHDRAW” from a session you have already enrolled for. You can also choose to “CANCEL WAITLIST” to remove yourself from a particular waitlist.
10. A “FULL” button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
11. More details on the various buttons are available in the “Key” section at the bottom of the signup page.
12. You should “ENROL” in only ONE tutorial session and may “JOIN WAITLIST” for only ONE other tutorial session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial signup. You will NOT be able to sign up or change your choice after the tutorial signups have closed.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as day/time and location by clicking on “My Signups” on the left hand menu.
15. Click on “Support” on the left hand menu if you are having problems.

This online signup system is available around the clock over the internet. Any requests after this date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

Finally, **you must always attend the tutorial sessions that you have signed up for.** If you attend a different session, your attendance may not be recorded.

COML 111: Monday, Tuesday, Friday, 16.10-17.00
Course Programme – Part 1

| Week | Lecture | Lecturer | Topic | Tutorials |
|-------------|--|--|--|------------------|
| 1 | Mon 9 July Tue 10 July Fri 13 July | David Dunbar David Dunbar David Dunbar | Course Administration & Introduction – Setting the Scene, the Video Getting the Business Started – Business Structures, Partnerships, Sole Trader, Co, JV, Franchising Getting the Business Started – Private Co, Registration - Obligations | No Tutorial |
| 2 | Mon 16 July Tue 17 July Fri 20 July | Yvonne van Roy Yvonne van Roy Yvonne van Roy | Buying Equipment and Services – Contract Law Contract Law – CR Act, IC Act, SoG Contract Law cont...remedies | No Tutorial |
| 3 | Mon 23 July Tue 24 July Fri 27 July | Yvonne van Roy Yvonne van Roy Yvonne van Roy | Setting up the Plant – Real Property Issues, Rental & Leases Business & Legislation, Regulatory Issues Resource Management & Treaty Issues | Tutorial 1 - DD |
| 4 | Mon 30 July Tue 31 July Fri 3 August | Yvonne van Roy Yvonne van Roy Yvonne van Roy | Tort Liabilities – Negligence, Nuisance, Acc Tort Liabilities Criminal Liabilities – Strict Liab & More Serious Fraud etc | Tutorial 2 - YvR |
| 5 | Mon 6 August Tue 7 August Fri 10 August | David Dunbar David Dunbar David Dunbar | IP Law & Trade Secrets, Passing Off Patent Law Copyright Law | Tutorial 3 - YvR |
| 6 | Mon 13 August Tue 14 August Fri 17 August | David Dunbar David Dunbar | Company Law Issues – Directors’ Duties, Creditors Company Law Issues – Directors’ Duties, Creditors TERMS TEST | No Tutorial |
| | | | Mid-Trimester Break 20 August – 2 Sept | |

COML 111 : Mon, Tues, Fri 16.10-17.00
Course Programme – Part 2

(Mid-Trimester Break (20 August – 2 September))

| Week | Lecture | Lecturer | Topic | Tutorial |
|--|--|--|---|-------------------|
| 7 | Monday 3 September Tuesday 4 September Friday 7 September | Yvonne van Roy Yvonne van Roy Yvonne van Roy | Anti Competitive Conduct – Collusion Anti Competitive Conduct – Vertical Restraints: RPM&EDCS Abuse of market Power | No Tutorial |
| 8 | Monday 10 September Tuesday 11 September Friday 14 September | Yvonne van Roy Yvonne van Roy Yvonne van Roy | Consumer Law: CG Act Consumer Law: Fair Trading Consumer Law: Fair Trading | No Tutorial |
| 9 | Monday 17 September Tuesday 18 September Friday 21 September | David Dunbar David Dunbar David Dunbar | Listing on the Stock Exchange Raising money from the public Raising money from the public | Discussion – Test |
| LEGAL EXERCISE DUE FRIDAY 21 SEPTEMBER 12NOON (LEVEL 1 MURPHY BUILDING) | | | | |
| 10 | Monday 24 September Tuesday 25 September Friday 28 September | David Dunbar David Dunbar David Dunbar | Employment Law & Restraint of Trade Obligations Employment Law & Restraint of Trade Obligations Employment Law & Restraint of Trade Obligations | Tutorial 4 - YvR |
| 11 | Monday 1 October Tuesday 2 October Friday 5 October | David Dunbar David Dunbar David Dunbar | Entities and Taxation Entities and Taxation Entities and Taxation | Tutorial 5 - DD |
| 12 | Monday 8 October Tuesday 9 October Friday 12 October | David Dunbar David Dunbar David Dunbar | Insolvency Insolvency Revision | Tutorial 6 - DD |
| Study Week | | | | |