

School of Accounting and Commercial Law

COML111 LAW FOR BUSINESS

Trimester 3, 2012

COURSE OUTLINE

Names and Contact Details

Course Coordinator

Associate Professor Yvonne van Roy
RH 605
Phone: 463 6762
Email: yvonne.vanroy@vuw.ac.nz

Lecturer

Palitha de Silva
RH 611
Phone: 463 6960
Email: palitha.desilva@vuw.ac.nz

Course Administrator

Jane Perry
RH 710
Phone 463 6680
Email: jane.perry@vuw.ac.nz

Trimester Dates

Teaching Period: Monday 19 November – Wednesday 19 December

Examination Period: Thursday 20 December – Friday 21 December

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before one full week after the first class.
2. The standard last date for withdrawal from this course is 13 December.

After the last date stated in #2, students forced to withdraw by circumstances beyond their control must apply for permission on an *'Application for Associate Dean's Permission to Withdraw Late'* including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

Class Times and Room Numbers

Monday	9.30 – 11.20	Government Buildings LT4
Wednesday	9.30 – 11.20	Government Buildings LT1
Friday	9.30 – 10.20	Government Buildings GBLT4

Tutorials will be held in the weeks commencing

26 November

3 December

10 December

17 December

There will be four tutorial groups as follows

Monday 11:30 – 12:20 GBG04

Monday 12:40 – 13:30 GBG04

Wednesday 11:30 – 12:20 GBG04

Wednesday 12:40 – 13:30 GBG05

Course Delivery

The Course will be delivered via 3 weekly lectures for 4 weeks and 2 lectures plus a final examination in the 5th week. There are also 4 tutorials (starting in Week Two). Each week has a 2 hour lecture on Monday, a 2 hour lecture on Wednesday, and a 1 hour lecture on Friday.

Expected Workload

You should expect to spend on average 20 hours per week on the course (excluding study for the tests). How this time is made up will vary from week to week, but would typically comprise:

- 5 hours in scheduled lectures;
- 5 hours preparing for and participating in tutorials and completing the legal exercise;
- 10 hours reading for lectures, and revising lecture and tutorial notes.

Unless you keep up with the course work, you are likely to face considerable problems catching up in order to be adequately prepared for the in class mid trimester test and the final examination.

In order to benefit from lectures you should read the relevant sections of the Course Materials Book (CMB) and the readings posted on Blackboard relating to each lecture topic **before** the lectures.

Course Learning Objectives

By the end of this course, students should be able to:

- 1 describe how the general legal environment impacts on business in New Zealand;
- 2 analyse the legal constraints on business;
- 3 describe the basic legal structures that constitute businesses and the law that regulates 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 those relating to the formation and management of business enterprises, responsibilities and duties of directors, business crime, contract law, tort law, consumer law, competition law, agency and employment law.

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 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).

Readings

- Longdin 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.

Materials and Equipment

The text for the course consists of a book of course materials available from Vicbooks. Further readings will be posted on Blackboard. It is highly recommended that, prior to lectures you read the appropriate section from course materials book or Blackboard (as indicated in the course materials or by the lecturers). There is no charge for class handouts. Copies of all class handouts will also be available on Blackboard.

Assessment

The three items of assessment for this course are:

<i>Item of Assessment</i>	<i>Percentage</i>	<i>of Date</i>
	<i>Final Grade</i>	
Mid Trimester Test (50 mins)	25%	Friday 30 November (in class test)
Legal Exercise (1000 words max)	25%	Due Friday 14 December 2.00 pm
Examination (2 hours)	50%	Thursday 20 December 9.30 am HMLT206

The **50 minute Mid Trimester Test** will be held in class on Friday 30 November.

Legal Exercise

The Legal Exercise is 1000 words (max), due 2.00 pm Friday 14 December (see further information attached).

Examination

The final examination for this course will be held on Thursday 20 December starting at 9.30am.

Penalties

The Legal Exercise includes three questions with a total word limit of 1,000 words, ten percent excess is acceptable but after this point the work will not be marked. The due date of **Friday 14 December** will be strictly adhered to and late exercises will have a flat 5% penalty deducted per day late. (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.)

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period. The final examination for this course will be scheduled at some time during the following period:

20-21 December 2012

Mandatory Course Requirements

In addition to obtaining an overall course mark of 50% or better, students must:

1. Submit all items of assessment; and
2. Obtain at least 40% in the final exam.

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.

Class Representative

A class representative will be elected in the first class, and that person's name and contact details made available to VUWSA, the course coordinator and the class. The class representative provides a communication channel to liaise with the course coordinator on behalf of students.

Communication of Additional Information

Any additional information provided during lectures or information on changes to any aspects of the course will be conveyed to students through Blackboard announcements

Link to general information

For general information about course-related matters, go to

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

Note to Students

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

COML111 2011 LECTURE PROGRAMME

Week	Lecture	Lecturer	Topic	Tutorial
1	Mon Nov 19 (2 hrs) GBLT4	YvR	Course Admin & Intro – setting the scene – video Getting the business started: Sole trader, Partnership, Registered Company.	
1	Wed Nov 21 (2 hrs) GBLT1	YvR	Company Law Issues; separate legal identity, limited liability and rights and powers of shareholders	
1	Fri Nov 23 (1 hr) GBLT4	YvR	Company Law Issues; directors' duties, options for raising funds, debt & equity	
2	Mon Nov 26 (2 hrs) GBLT4	PdS	The Phenomena of Agreement: How do we establish an Agreement?	1 (YvR)
2	Wed Nov 28 (2 hrs) GBLT1	PdS	The Phenomena of Agreement: What constitutes Consideration?	
2	Fri Nov 30 (1 hr) GBLT4		In Term Test in class time (1 hr)	
3	Mon Dec 3 (2 hrs) GBLT4	YvR	Consumer Law: The Fair Trading Act and Consumer Guarantees Act	2 (PdS)
3	Wed Dec 5 (2 hrs) GBLT1	YvR	Consumer Law: The Fair Trading Act and Consumer Guarantees Act	
3	Fri Dec 7 (1 hr) GBLT4	YvR	Business Crime	
4	Mon Dec 10 (2 hrs) GBLT4	YvR	Competition Law: Regulating anticompetitive conduct in the market place	3 (YvR)
4	Wed Dec 12 (2 hrs) GBLT1	PdS	When does the Law impose a duty to take care?	
4	Fri Dec 14 (1 hr) GBLT4	PdS	Professional Advice: When do we have to take care? Legal Exercise Due (2 pm)	
5	Mon Dec 17 (2 hrs) GBLT4	PdS	The Law of Agency	4 (PdS)
5	Wed Dec 19 (2hr) GBLT1	PdS	Employment Law	
5	Thurs Dec 20 (2 hrs)		FINAL EXAMINATION (2 hours) HMLT206	

LEGAL EXERCISE

WORTH 25% OF THE FINAL GRADE

Please answer all questions. The total word limit is 1,000 words.

QUESTION ONE: Consumer Law- The Consumer Guarantees Act (limit of 300 words)

- (a) Sticky Web Ltd has produced a new light-weight tarpaulin which it advertises as being “exceptionally light but extremely strong”.

A local orchardist recently purchased a large number of these tarpaulins for use in his business. Unfortunately half of these were from a faulty batch and had weak patches which broke down when wet.

Required:

Discuss whether the orchardist can obtain a remedy against Sticky Web Ltd under the Consumer Guarantees Act 1993, and what remedy or remedies this could be.

Discuss whether your answer in (i) would be different if there was a clause in the contract for the sale of the tarpaulins which stipulated that no refunds would be given for any reason.

QUESTION TWO: Consumer Law- The Fair Trading Act (limit of 300 words)

- (a) Suppose that Sticky Web’s advertisement for the new tarpaulins had stated that they were “twice as strong as any comparable product from any other manufacturer”. However, another tarpaulin manufacturer (Tarps Ltd) whose tarpaulins were just as strong as those from Sticky Web Ltd has taken action against Sticky Web Ltd under the Fair Trading Act 1986.

Required:

Discuss the action which Tarps Ltd could take under the Fair Trading Act 1986, and its chances of success.

- (b) Suppose that instead of using the words in (a) above, Sticky Web’s advertisement had depicted computer generated “photos” of five elephants on a Sticky Web tarpaulin suspended over a ravine. The middle elephant jumps up and down saying: “You can rely on the formidable strength of our tarpaulins”. Tarps Ltd has seen this advertisement and complained to the Commerce Commission.

Required:

Discuss whether the Commerce Commission could take action against Sticky Web Ltd with respect to this advertisement, and if so, its chances of success. Sticky Web Ltd has admitted it has not tested to see whether five elephants could be suspended on one of its tarpaulins, but suspects that the tarpaulin would not be that strong.

QUESTION THREE: Contract Law (Limit of 400 words)

The directors of Sticky Web Ltd wished to sell a piece of surplus laboratory equipment, having purchased a more up-to-date model. An advertisement was placed in the “for sale” section of the local newspaper describing the equipment, the sale price, and a contact postal address, email address and phone number. Biometrics Ltd, a small research company in Invercargill, posted a letter to Sticky Web Ltd stating that it was willing to pay a lesser sum for the equipment. Norman at Sticky Web Ltd replies by post, accepting this. However, after posting the letter Sticky Web Ltd received a better offer for the equipment from a local company so sold the equipment to them. Norman phoned Biometrics Ltd letting them know about the sale and instructing them to ignore his letter. Biometrics Ltd received Norman’s letter the following day.

Advise the directors of Sticky Web Ltd whether, and with whom, they have a contract for the sale of the surplus equipment. Would it be different if Norman’s letter to Biometrics Ltd had added that the sale of the equipment was purely “as is, where is”?

Basic Requirements for your Legal Exercise

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

The Legal Exercise consists of two questions, each of 500 words (max) due 2.00pm Friday 14th December (see further information below). Please note that the Legal Exercise is **compulsory**.

1. Do not grossly exceed the word limits (10% excess is acceptable) - after this point the work will not be marked.
2. The due date of **Friday 14 December** will be strictly adhered to and late exercises will have a flat 5% penalty deducted per day late. (However, if you consider you have a good reason for not meeting this deadline, please see either 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. All exercises must be placed in the box marked COML111 Legal Exercise located on the Mezzanine Floor of Rutherford House
3. All ideas and quotations from another work must be referenced. You could either use footnotes (for guidance, look at the way this is done in any of the articles or chapters in the course materials book), or use the APA system. Remember to include the page reference, not just the title of the work being referenced. 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. Attach the SACL assignment coversheet available on Blackboard.
5. Leave a 5 cm (2 inch) margin, to enable room for comments.
6. Write clearly or type your work.
7. 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); and
 - Re-submitting an assignment used in one course as an original piece of work in 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.

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 the question requires an assessment of legal liability, remember to identify the relevant issues required by the law and address each of them in turn (before coming to a conclusion about liability). 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.

Tutorial Signup Instructions

To sign up for your COML111 tutorial you need to follow the instructions below.
Read these instructions carefully and take your time to follow the procedure step-by-step.

1. Go to the signup website at: <https://signups.victoria.ac.nz>
2. Enter your SCS username and password to log into 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 **COML 111**.
4. The COML111 course page opens. It shows 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 tutorials.
6. If there are spaces left in a particular tutorial, you will see the **ENROL** button next to it. Click this button to enrol yourself in that tutorial.
7. If there are no more spaces left in a particular tutorial, you will see the **JOIN WAITLIST** button, if a waitlist is available. Click this button to join the waitlist for that tutorial. (Note that if you do this, you will be removed from any other waitlist that you may have joined earlier). If somebody withdraws from this tutorial, you will automatically be moved up the waitlist or, if you are already at the top of it, you will be enrolled in the tutorial. An email will be sent to you if you are enrolled in the tutorial from the waitlist.
8. Note that you can only join a waitlist if you have *already enrolled* in one of the other available tutorials. In other words, you must first enrol in one tutorial and then you can choose to join the waitlist for another preferred tutorial.
9. You can choose to **WITHDRAW** from a tutorial you have already enrolled in. You can also choose to **CANCEL WAITLIST** to remove yourself from a particular waitlist.
10. A **FULL** button indicates that all seats and the waitlist are full for that tutorial. You must choose another tutorial.
11. You should enrol in only **ONE** tutorial and may join the waitlist for only **ONE** other tutorial.
12. This online signup system is available around the clock over the internet. You can log in and sign up (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.*** Any requests after this date are manually handled by the Course Administrator. You must submit a written application stating why you were not able to sign up on time using the online system, along with other relevant documentation, such as medical certificate, etc.
13. You can view/confirm details of the tutorials that you are enrolled in and waitlisted for, such as the day, time and location, by clicking on **My Signups** on the left hand menu.
14. Click on **Support** on the left hand menu if you are having problems.

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