

Syllabus

1. General information

Name of the subject:	Introduction to Business Law
Academic Year:	2014-2015
Course:	First year
Terms:	2nd and 3rd
Degree / BA:	B. A. in International Business Economics
Subject Code:	21119
Credits ECTS of this subject	8
Estimated hours of study per student:	200 hours
Teaching language:	English (both group and subgroups)

- Professors and lecturers:

SECOND TERM	THIRD TERM
Esther Farnós Amorós Office: 40.104 (Roger de Llúria) Email: esther.farnos@upf.edu Office Hours: Tuesdays from 11 to 13	Carlos Gómez Ligüerre Office: 40.102 (Roger de Llúria) Email: carlos.gomez@upf.edu Office hours: TBA
Seminars	
Marian Gili Saldaña Office: 40.118 (Roger de Llúria) Email: mangels.gili@upf.edu Office Hours: TBA	

Note: For any **urgent** matter, please send an email to esther.farnos@upf.edu in order to set an appointment.

2. Presentation

The course **Introduction to Business Law** is fundamental in the curricula of International Business Economics. This is a mandatory course. Following **Ward Farnsworth's** approach as it is developed in his book *The Legal Analyst. A toolkit for thinking About the Law* (Chicago University Press, 2007), the goal of this course is offering a guide to tool for thinking about the law. Economic, game theory, psychology, jurisprudence, history, and other fields will be used to provide an overview of the importance of legal rules applicable to businesses so that when completing this course, students will be able to identify legal issues an their impact on businesses while at the same time, getting familiar with the solutions legal systems provide in order to solve legal problems arising from the participation of businesses in market transactions.

Hence, this course is of crucial importance for this degree given that it provides the opportunity to become familiar with the different legal disciplines affecting the regulatory business context. The course will benefit all students given that it will enable them to develop a command of legal language and concepts that are encountered in the everyday business world.

Introduction to business is structured in two different parts that correspond to the two terms that this course lasts. The first part of this course intends to study legal issues that are relevant and have an impact on business decisions. The second part of this course aims at providing an overview of specific issues on contract law, focusing on Spanish contract law and its influence on business matters.

As we will see, business legal issues are real world daily matters so that it will therefore be crucial that you follow up on what is going on in the business world around you by regularly reading newspapers and magazines that regularly deal with economic and legal issues like Financial Times, the Wall Street Journal, The Economist, Business Week, Expansión, Cinco Días, or La Vanguardia, el País, as well as their weekend especial sections in economics.

- **Position of the course in the curricula project**

Introduction to Business is a mandatory subject of the second and third terms of the first year of the B.A. in International Business Economics. This course is worth 8 credits ECTS.

- **Course Organization**

The course duration is 20 weeks. All students will meet weekly with the professor for two lectures of an hour and a half each, except three certain weeks (see the schedules for the 2nd and 3rd term), when just one session is planned.

Further, every second week, starting week 2, there will be an hour and a half practice session with the T.A. of this course. There will be a total of 10 practice sessions, 5 during the second term and 5 during the third. These practice sessions will be used to deepen discussion of the readings done and the topics studied as well as to relate the acquired knowledge with everyday legal issues regarding business matters.

3. Course skills

This course aims at providing students with analytical and discussion skills that will be useful for their studies in International Business Economics and for their prospect professional career. The skills that this course intends to develop are general and specific and are reflected in the next chart.

All skills will be evaluated through the continuous valuation assignments as well as with the different exams of this class – both at the end of the second term and at the end of the third term.

General Skills	Specific Skills
<ol style="list-style-type: none"> 1. Understanding and interpreting in an appropriate and reasoned way written academic texts. 2. Being able to justify one's own positions with sound arguments and to defend them publicly. 3. Being able to use English in all areas of work (proficient skills in reading, writing and speaking). 4. Developing an ability to argue and provide sound reasons on controversial issues. 5. Accepting the diversity of standpoints as a fundamental ingredient of academic life and integral to contemporary society, and being able to present one's own opinions while respecting differing points of view. 6. Being proactive in the desire to increase knowledge, as an essential feature in any learning process and in any professional activity. 7. Being able to flexibly and creatively apply the acquired knowledge and to adapt to new situations and contexts. 8. Being able to independently and continuously progress in training and learning processes. 9. Applying the relevant knowledge and procedures to a range of complex situations. 10. Identifying the key factors of a problem. 	<ol style="list-style-type: none"> 1. Identify legal problems that business may face. 2. Ability to understand and apply simple legal solutions. 3. Ability to relate the analysis of legal issues with the goals and instruments of legal systems. 4. Analytical abilities (of legal issues and the alternative solutions the legal system provides). 5. Legal reasoning through simple legal cases. 6. Ability to search information independently (on legal issues regarding business in specified data bases, the media, etc).

11. INTRODUCTION TO BUSINESS LAW SYLLABUS (2014-2015)

SECOND TERM

PART I – INSTITUTIONS OF LEGAL SYSTEMS (Esther Farnós)

Chapter 1 - ESSENTIAL ELEMENTS OF THE LEGAL SYSTEM

- 1.1. Legal Rules and Mechanisms for their Production and Application.
- 1.2. The Two Legal Systems: Civil Law And Common Law

CHAPTER 2 - THE ACTORS OF THE SPANISH LEGAL SYSTEM

- 2.1. Parliaments and their legislative output. Legislative hierarchy in the Constitution.
- 2.2. The judiciary: Basic structure; functions; processes.
- 2.3. Public administrations: types, structures, normative and regulatory functions, application and execution of legal rules; their special position as subjects in the legal system.
- 2.4. Institutions of formalization and legal certainty: notaries and public registries.
- 2.5. The state and Autonomous Communities.

CHAPTER 3 - THE EUROPEAN UNION LAW: THE EUROPEAN COMMUNITY AND THE MEMBER STATES.

- 3.1. Structure
- 3.2. Bodies
- 3.3. Power structure
- 3.4. Sources of Community law.

PART II – INCENTIVES (Esther Farnós)

- 1. EX ANTE AND EX POST
- 2. THE IDEA OF EFFICIENCY
- 3. THINKING AT THE MARGIN
- 4. THE SINGLE OWNER
- 5. THE LAST COST AVOIDER
- 6. ADMINISTRATIVE COST
- 7. RENTS

8. THE COASE THEOREM

PART III – TRUST, COOPERATION, AND OTHER PROBLEMS FOR MULTIPLE PLAYERS (Esther Farnós)

- 9. AGENCY**
- 10. THE PRISONER'S DILEMMA**
- 11. PUBLIC GOODS**
- 12. THE STAG HUNT**
- 13. CHICKEN**
- 14. CASCADES**
- 15. VOTING PARADOXES**
- 16. SUPPRESSED MARKETS**

PART IV – JURISPRUDENCE (Esther Farnós)

- 17. RULES AND STANDARDS**
- 18. SLIPPERY SLOPES**
- 19. ACOUSTIC SEPARATION**
- 20. PROPERTY RULES AND LIABILITY RULES**
- 21. BASELINES**

PART V – PSYCHOLOGY (Esther Farnós)

- 22. WILLINGNESS TO PAY AND WILLINGNESS TO ACCEPT: THE ENDOWMENT EFFECT AND KINDRED IDEAS**
- 23. HINDSIGHT BIAS**
- 24. FRAMING EFFECTS**
- 25. ANCHORING**
- 26. SELF-SERVING BIAS, WITH A NOTE ON ATTRIBUTION ERROR**

PART VI – PROBLEMS OF PROOF (Esther Farnós)

- 27. PRESUMPTIONS**
- 28. STANDARDS OF PROOF**
- 29. THE PRODUCT RULE**
- 30. THE BASE RULE**
- 31. VALUE AND MARKETS**

THIRD TERM

BASIC INSTITUTIONS OF BUSINESS LAW IN SPAIN: CONTRACTS, PROPERTY, CORPORATIONS, AND BANKRUPTCY (Carlos Gómez)

CHAPTER 1 – INTRODUCTION TO SPANISH CONTRACT LAW

- 1.1 Contracts as instruments to encourage economic cooperation and business activity
- 1.2 Basic institutions of Spanish contract law: contract formation; performance and breach
- 1.3 Warranties in consumer sales.

CHAPTER 2 - MARKET REGULATION

- 2.1 Consumer protection Law and regulation of advertisement
- 2.2 Labor market regulation
- 2.3 Antitrust regulation

CHAPTER 3 - PROPERTY LAW: CHATTELS AND REAL ESTATE. REAL ESTATE MARKET INSTITUTIONS. INTELLECTUAL PROPERTY

- 3.1 Tangible property
- 3.2 Intellectual property

CHAPTER 4 - CORPORATIONS AND THE LEGAL FORM OF BUSINESSES

- 4.1 Introduction. The purpose of corporate law
- 4.2 Main types of business structures in Spanish Law

CHAPTER 5 – INSOLVENCY AND BANKRUPTCY LAW

12. Course Evaluation

Course evaluation will be based on the following criteria:

- Exam grades (both terms): 70%
- Practice sessions (both terms): 30%

Both parts of this course will be jointly evaluated so that you will only have one grade for the WHOLE course.

Each term of the course –second and third- will have the same weight in the final grade. Hence, each term is with 50% of the total grade.

The minimum required grade to pass this course will be 5 points out of 10.

Students failing this course will have the opportunity to retake the final exam in July. Only those students that meet the following requirements are entitled to retake the final exam:

- a) Students that have taken the final exams held at the end of both terms;

and
- b) Students that have at least completed fifty per cent (50%) of the mandatory assignments during the course.

This July exam would include contents from both terms.

13. Methodology

This class combines classroom activities as well as readings and writing that students will have to perform outside of the classroom.

Introduction to business is a 20 week course structured in two differentiated parts, each of which will last 10 weeks and will weight equally in the evaluation of the course.

The methodology of each kind of lectures will follow the same structure:

a. For the theory lectures:

Each week students will have two lectures of an hour and a half given by the professor of the course.

b. For the practice sessions

During the 20 weeks there will be 10 practice sessions – 5 in each part – to further work the issues arising from the class materials and to apply them to the daily business realities.

The practice sessions will be conducted by the Teacher Assistant of this class.

c. Work load:

Credits ECTS: 8

Total hours of study of each student: 200 hours (25 hours per credit ECTS).

Distribution of work load for each student:

1. Lecture hours: 60
40 hours of theoretical lectures
20 hours of practice sessions
2. Hours of supervised work: 20 hours (TA office weekly hours)
Attendance non compulsory
3. Hours of student work: 120 hours to prepare the readings and the course cases and of individual study

Weekly calendar

I - INTRODUCTION TO THE LEGAL SYSTEM

WEEKS	LECTURES	PRACTICE
Week 1	Lecture 1: CHAPTER 1 – Essential elements of the legal system (1.1) Lecture 2: CHAPTER 1 – Essential elements of the legal system (1.2)	
Week 2	Lecture 3: CHAPTER 2 – The actors of the Spanish Legal System (2.1 – 2.3) Lecture 4: CHAPTER 2 – The actors of the Spanish Legal System (2.4 – 2.5)	PRACTICE SESSION 1 TBA
Week 3	Lecture 5: CHAPTER 3 – The E.U. Law (3.1 – 3.2) Lecture 6: CHAPTER 3 – The E.U. Law (3.3 – 3.4)	
Week 4	Lecture 7: Part II (Incentives) <ol style="list-style-type: none"> EX ANTE AND EX POST THE IDEA OF EFFICIENCY Lecture 8: Part II (Incentives) <ol style="list-style-type: none"> THINKING AT THE MARGIN THE SINGLE OWNER 	PRACTICE SESSION 2 TBA

Week 5	Lecture 9: Part II (Incentives) 5. THE LAST COST AVOIDER 6. ADMINISTRATIVE COST Lecture 10: Part II (Incentives) 7. RENTS 8. THE COASE THEOREM	
Week 6	Lecture 11: Part III (Trust, cooperation and other problems for multiple players) 9. AGENCY 10. THE PRISONER'S DILEMMA 11. PUBLIC GOODS	PRACTICE SESSION 3 TBA
Week 7	Lecture 12: Part III (Trust, cooperation and other problems for multiple players) 12. THE STAG HUNT 13. CHICKEN 14. CASCADES Lecture 13: Part III (Trust, cooperation and other problems for multiple players) 15. VOTING PARADOXES 16. SUPPRESSED MARKETS	
Week 8	Lecture 14: Part IV (Jurisprudence) 17. RULES AND STANDARDS 18. SLIPPERY SLOPES 19. ACOUSTIC SEPARATION 20. PROPERTY RULES AND LIABILITY RULES 21. BASELINES	PRACTICE SESSION 4 TBA

Week 9	<p>Lecture 15: Part V (Psychology)</p> <ul style="list-style-type: none"> 22. WILLINGNESS TO PAY AND WILLINGNESS TO ACCEPT: THE ENDOWMENT EFFECT AND KINDRED IDEAS 23. HINDSIGHT BIAS 24. FRAMING EFFECTS <p>Lecture 16: Part V (Psychology)</p> <ul style="list-style-type: none"> 25. ANCHORING 26. SELF-SERVING BIAS, WITH A NOTE ON ATTRIBUTION ERROR 	
Week 10	<p>Lecture 17: Part VI (Problems of proof)</p> <ul style="list-style-type: none"> 27. PRESUMPTIONS 28. STANDARDS OF PROOF 29. THE PRODUCT RULE 30. THE BASE RULE 31. VALUE AND MARKETS 	<p>PRACTICE SESSION 5 TBA</p>
EXAMS PERIOD		

II - BASIC INSTITUTIONS OF BUSINESS LAW: CONTRACTS, PROPERTY AND CORPORATIONS

WEEKS	LECTURES	PRACTICE
Week 11	<p>Lecture 1: CHAPTER 1 – Introduction to contracts. 1.1 Contracts as instruments to encourage economic cooperation and business activity.</p> <p>Lecture 2: CHAPTER 1 – Introduction to contracts. 1.2 Basic institutions of contract law</p>	
Week 12	<p>Lecture 3: CHAPTER 1 – Introduction to contracts. 1.3 Warranties in consumer sales</p> <p>Lecture 4: CHAPTER 2 - Market regulation. 2.1 Consumer protection Law and regulation of advertisement (I)</p>	PRACTICE SESSION 1 TBA
Week 13	Lecture 5: CHAPTER 2 - Market regulation. 2.1 Consumer protection Law and regulation of advertisement (I)	
Week 14	Lecture 6: CHAPTER 2 - Market regulation. 2.2 Labor market regulation	PRACTICE SESSION 2 TBA
Week 15	<p>Lecture 7: CHAPTER 2 - Market regulation. 2.3 Antitrust regulation.</p> <p>Lecture 8 CHAPTER 3 - Property Law On Chattels and Real Estate. Real Estate Market Institutions. Intellectual Property. 3.1 Tangible property (I)</p>	
Week 16	<p>Lecture 9: CHAPTER 3 – Property Law On Chattels and Real Estate. Real Estate Market Institutions. Intellectual Property. 3.1 Tangible property (II)</p> <p>Lecture 10: CHAPTER 3 – Property Law On Chattels and Real Estate. Real Estate Market Institutions. Intellectual Property. 3.2 Intellectual property (I)</p>	PRACTICE SESSION 3 TBA

Week 17	<p>Lecture 11: CHAPTER 3 - Property Law On Chattels and Real Estate. Real Estate Market Institutions. Intellectual Property. 3.2 Intellectual property (II)</p> <p>Lecture 12: CHAPTER 4 - Corporations and the legal form of business. 4.1 Introduction. The purpose of corporate law</p>	
Week 18	<p>Lecture 13: CHAPTER 4 - Corporations and the legal form of business. 4.2 Main types of Business structures (I)</p> <p>Lecture 14: CHAPTER 4 - Corporations and the legal form of business. 4.2 Main types of Business structures (II)</p>	PRACTICE SESSION 4 TBA
Week 19	<p>Lecture 15: CHAPTER 4 - Corporations and the legal form of business. 4.2 Main types of Business structures (III)</p> <p>Lecture 16: Professor Ward Farnsworth's lecture</p>	
Week 20	Lecture 17: CHAPTER 5 – Insolvency and bankruptcy law	PRACTICE SESSION 5 TBA
EXAMS PERIOD		