
Prescription: 610 The Law of Business Entities

Elective prescription

Level	6
Credit	20
Version	2
Aim	Students will demonstrate skills and knowledge of the legal requirements for establishment, operation and the cessation of business entities.
Prerequisites	Nil
Recommended Prior Knowledge	Recommended <i>510 Introduction to Commercial Law</i> or equivalent knowledge and skills.

Assessment weightings

Learning outcomes	Assessment weighting %
1. Students will explain the legal characteristics of entities and the differences between them.	15
2. Students will demonstrate knowledge of documentation and registration requirements for formation.	15
3. Students will analyse options and generate solution(s) for raising capital in relation to given business situations.	15
4. Students will apply the law relating to the governance and management of entities to given situations.	30
5. Students will apply the law relevant to failure and/or the cessation of business.	15
6. Students will demonstrate knowledge of law related to acquiring an interest in a business.	10
Total	100

All learning outcomes must be evidenced; a 10% aggregate variance is allowed.

Assessment notes

1. Assessment materials should reflect relevant and current legislation, standards, regulations and acknowledged good industry/business practices.

Learning outcome one

Students will explain the legal characteristics of entities and the differences between them.

Key elements:

- a) Companies – public and private.
- b) Partnerships including limited partnerships.
- c) Sole traders.
- d) Trading trusts
- e) Co-operatives
- f) Societies and not for profit.

Learning outcome two

Students will demonstrate knowledge of documentation and registration requirements for formation.

Key elements:

- a) Companies – public and private:
 - name
 - incorporation documents
 - constitution
 - pre-incorporation contracts
 - shareholder agreement
 - requirements for listing.
- b) Partnership or Trading Trust:
 - name
 - deed of Partnership or Trust.

Learning outcome three

Students will analyse options and generate solution(s) for raising capital in relation to given business situations.

Key elements:

- a) Companies:
 - share offers – public and private
 - debt finance and borrowing powers
 - solvency test
 - share buy back.
- b) Partnership or trading trusts:
 - share of profit/drawings
 - debt finance and borrowing powers.

Learning outcome four

Students will apply the law relating to the governance and management of entities to given situations.

Key elements:

- a) Companies:
 - appointment of directors
 - directors' powers, duties and liabilities
 - shareholder rights and remedies, including minority rights and distributions
 - deemed directorship.
- b) Partnership or trading trusts:
 - rights and duties of partners or trustees.
- c) Shareholder meetings including:
 - shareholder resolutions
 - resolution in lieu of a meeting
 - circumstances in which resolutions are required.
- d) Board of directors meetings including:
 - director resolutions
 - resolution in lieu of a meeting.
- e) Meetings relevant to partnership or trading trusts.

Learning outcome five

Students will apply the law relevant to failure and/or the cessation of business.

Key elements:

- a) Companies:
 - two options available to directors and shareholders when a company is insolvent
 - remedies available to secured, unsecured and preferential creditors, including receivership and liquidation.
- b) Partnership or trading trusts:
 - processes for ceasing to trade.

Learning outcome six

Students will demonstrate knowledge of law related to acquiring an interest in a business.

Key elements:

- a) One of:
 - merger
 - amalgamation
 - acquisition of shares or assets
 - takeover.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Introduced	1	2006	30 June 2015
Review	2	June 2013	31 December 2020