



## **Module Specification**

### **Business Law and Practice**

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## **Part 1: Information**

**Module title:** Business Law and Practice

**Module code:** UJXTR3-30-M

**Level:** Level 7

**For implementation from:** 2023-24

**UWE credit rating:** 30

**ECTS credit rating:** 15

**Faculty:** Faculty of Business & Law

**Department:** FBL Dept of Law

**Partner institutions:** None

**Delivery locations:** Not in use for Modules

**Field:** Law - non modular

**Module type:** Module

**Pre-requisites:** None

**Excluded combinations:** None

**Co-requisites:** None

**Continuing professional development:** No

**Professional, statutory or regulatory body requirements:** None

## **Part 2: Description**

**Overview:** Not applicable

**Features:** Not applicable

**Educational aims:** See Learning Outcomes.

**Outline syllabus:** The syllabus includes:

Introduction to different business media. Setting up in business as a sole trader- legal and practical issue.

Partnership – Partnership Act 1890, creation of a partnership, rights and duties of partners and negotiation exercise, relationships between partners and third parties, retirement and dissolution.

Partnership agreements – what is covered and value of a clearly drafted agreement. Limited Liability partnerships- Limited Liability Partnership Act 2000, creation of a LLP, rights and duties of partners, relationships with third parties and dissolution.

Bankruptcy – practical and legal issues arising when sole trader or partner faces financial difficulties- personal implications of bankruptcy including under the Insolvency Act 1986 and wider implications e.g. for partnership generally.

Taxation – taxation of sole traders, partners and members of a LLP and tax planning for each. Income tax and Capital Gains tax (and their interrelation – including capital allowances).

Companies – introduction to limited liability companies, process of incorporation and formation (including a practical incorporation exercise), appointment of first directors, divisions of powers between the Board and shareholders and contracts with third parties.

Constitutional documents – Memorandum of Association and Table A Articles of Association (“Table A”) under Companies Act 1985 (“CA 1985”) and New Model Articles (“NMA”) under Companies Act 2006 (“CA 2006”). Amendments to Table A and to NMA.

Share Issue and transfer and pre-emption provisions – process of issue of shares and how shareholders may transfer shares and significance of the distinction between the two. Issue of equity dilution. Analysis of Table A and NMA in relation to issue of shares. Statutory pre-emption provisions.

Directors – the role of the directors, methods of appointment, directors' rights, duties, obligations and liabilities. Directors' service agreements and employment law issues as they relate to a director. Taxation of directors' remuneration and tax planning. Board meetings and board minutes (including practical drafting of board minutes). Powers of directors, limitations and inter-relation with shareholder powers. Removal of directors.

Shareholders-shareholder rights and remedies, duties, obligations and liabilities. Shareholder resolutions and meetings (including practical drafting of various shareholder resolutions). Written resolution procedure under CA 2006. Identifying when shareholder approval is required and the inter-play between the role of directors and shareholders and the ability of shareholders to supervise/ control the activities of directors. A practical case study on the removal of directors by shareholders highlights the process of removal, the inter-relation of powers and shareholder powers generally (including poll votes and proxies).

Minority shareholder issues. Bushell v Faith clauses. Shareholder agreements including consideration of a sample shareholders' agreement (for example, provisions in relation to exit and valuation of shares on exit, dividend policy, entrenchment of rights, pre-emption rights, different classes of shares and other rights of shareholders).

Raising Company finance – equity finance and debt finance and legal and practical implications of each for the company and the investor.

Different classes of shares – including preference shares. Taxation issues arising from different methods for company and recipient (loan interest in the case of debt finance and dividend income in the case of equity). Issues arising for lender when providing debt finance.

Security - consideration of a standard clearing bank debenture and registration requirements. Creditor rights – including rights of secured and unsecured creditors of a business. Consideration of a standard facility agreement from a corporate borrower's perspective (including negative pledge and security issues).

Consideration of directors' personal guarantees (and solicitors' obligations under RBS V Etridge).

Warranties and Disclosure issues – in the context of both a private equity investor and debt financiers. Practical company searching – including location of information revealed on a company search, significance for the company and third parties. Analysis of contents.

Share capital - maintenance of share capital and procedure for buy-backs of shares. Reduced significance of financial assistance under CA 2006. Use of profits.

Corporation tax – calculation of corporation tax, process, deductions and trading loss reliefs. Tax planning for companies.

Corporate Insolvency – position of a company that is in financial difficulties. Liabilities and insolvency procedures (including those under Insolvency Act 1986). Methods to minimise issues on liquidation. Implications of wrongful and fraudulent trading. Rights of liquidator, voidable transactions- including transactions at an undervalue and preferences. Insolvent LLPs.

Business Accounts- including individual preparation of business accounts. Trading account, profit and loss and balance sheet for a sole trader, partnership/LLP and a company (with year-end adjustments). Analysis of accounts – undertaking and analysis of profitability and liquidity ratios and their function and limitations of use EU Competition law (Articles 81 and 82) is dealt with in IP/Competition Vocational Elective.

The LPC outcomes will be met by the students undertaking the type and range of tasks identified in the indicative teaching scheme set out below this statement.

The elements of law and practice to be covered on this core subject are primarily identified in the syllabus set out above as expanded upon in this statement and in the indicative teaching scheme set out below.

The course skills which will pervade this core subject as identified in the indicative teaching scheme set out below are; practical legal research, writing and drafting, interviewing and advising and an oral presentation in a non-contentious setting.

#### Indicative Teaching Scheme

Unit 1: Choices of Business Medium and Sole Traders

Unit 2: Partnerships (including LLPs)

Unit 3: Bankruptcy, Sole Traders and Partnerships

Unit 4: Taxation

Unit 5: Companies – Constitution and Incorporation

Unit 6: Companies- Share issue, transfer and pre-emption

Unit 7: Company Stakeholders I: Directors

Unit 8: Company Stakeholders II: Shareholders

Unit 9: Company Decision Making Case Study

Unit 10: Company Stakeholders III: Minority Shareholders

Unit 11: Raising Company finance

Unit 12: Business Accounts

Unit 13: Company Stakeholders IV: Creditors and company searches

Unit 14: Share Capital, Distributions to shareholders and Corporation Tax

Unit 15: Corporate Insolvency

Unit 16: Revision Workshop

### **Part 3: Teaching and learning methods**

**Teaching and learning methods:** Self-study preparation and research in order to acquire knowledge and understanding;

Large group sessions in order to consolidate and develop knowledge and understanding;

A mixture of individual and group work centred on problem-based learning, involving management of information, analysis of complex facts and application of knowledge;

Role play and oral presentations to demonstrate understanding and effective communication of complex areas of law applied to detailed factual scenarios;

Preparation of written communications (primarily in the form of office memoranda and letters of advice to clients) to demonstrate understanding and effective communication of complex areas of law applied to detailed factual scenarios;

Drafting and amending of legal documents, often involving the use of precedents, to demonstrate synthesis and application of knowledge, and the ability to reach autonomous, competent decisions;

Reviews of topics in the form of both large group sessions (where ideas can be pooled and debated) and critical self-evaluation. The teaching and learning strategy pervading all modules on the Legal Practice Course is a student-centred approach through the provision of a stimulating educational environment.

Face to face teaching and learning in a workshop environment is at the heart of the Teaching and Learning strategy, for students to participate fully in challenging activities, undertaking a wide variety of exercises as individuals and in groups. Full participation is encouraged and expected. Students are encouraged to ask questions during the workshops and to take responsibility for their own learning. Feedback will be given on these exercises both by students and tutors.

Outside of the workshop students are required to take responsibility for their own learning undertaking a variety of preparatory tasks. These may be undertaken by students either as individuals or working in office groups, including include provision of information using recorded lectures, reading from course manuals and from practitioner texts, reading and research from primary source material, completion of electronic tests, preparing documents or presentations and attending large group sessions.

The final component of each Study Unit will be a consolidation task or tasks designed to broaden and deepen students' understanding of an aspect or aspects of work covered in the relevant Study Unit.

Each Study Unit involves the student undertaking 11.5 Notional Learning Hours, of which 2.5 hours will be a Small Group Sessions

**Module Learning outcomes:** On successful completion of this module students will achieve the following learning outcomes.

**MO1** Identify the different forms business entity.

**MO2** Understand issues around the formation, operation and termination of a partnership business including LLPs.

**MO3** Identify the issues arising when sole trader or partner faces financial difficulties and the personal implications of bankruptcy.

**MO4** Understand the concepts relating to the taxation of sole traders, partners and members of a LLP and tax planning and do calculations.

**MO5** Understand issues around the incorporation of limited liability companies, management and constitutional documents.

**MO6** Understand the procedure for a share issue and transfer and pre-emption provisions

**MO7** Understand the issues around directors, including their role, the methods of appointment, termination, directors' rights, duties, powers, obligations and liabilities.

**MO8** Understand the taxation of directors' remuneration and tax planning.

**MO9** Explain the procedure for Board meetings and to draft board minutes.

**MO10** Understand shareholder rights and remedies, duties, obligations and liabilities.

**MO11** Explain the procedure for Shareholder resolutions and meetings and draft various shareholder resolutions.

**MO12** Identify when shareholder approval is required and the inter-play between the role of directors and shareholders and the ability of shareholders.

**MO13** Understand minority shareholder issues and shareholders' agreement including drafting issues



**MO14** Identify the different methods of raising company finance and practical implications of each for the company and the investor.

**MO15** Understand creditor rights, content of facility agreement and directors personal guarantees

**MO16** Spot warranty and disclosure issues.

**MO17** Undertake company searches and analyse contents.

**MO18** Understand maintenance of share capital and procedure for buy-backs of shares.

**MO19** Calculate corporation tax and understand issues around tax planning for companies.

**MO20** Understand the position of a company that is in financial difficulties, liability issues and insolvency procedures.

**MO21** Compose and interpret business accounts including year-end adjustments.

**Hours to be allocated:** 300

**Contact hours:**

Independent study/self-guided study = 116 hours

Face-to-face learning = 184 hours

Total = 300

**Reading list:** The reading list for this module can be accessed at [readinglists.uwe.ac.uk](https://uwe.rl.talis.com/modules/ujxtr3-30-m.html) via the following link <https://uwe.rl.talis.com/modules/ujxtr3-30-m.html>

## **Part 4: Assessment**

**Assessment strategy:** The Assessment Strategy pervading all modules on the LPC is rigorous in its approach to ensure the credibility of the course to ensure that:

Assessment arrangements will be robust, consistent, fair and secure, to ensure that

academic standards will meet the threshold set by the SRA

Assessments will revolve around transactions of the type encountered in practice

Assessments will address depth and realism as well as coverage

Individual assessments cover a representative and robust selection of the relevant outcomes. Where an assessment does not include coverage of all of the outcomes for a particular subject, students will nevertheless be prepared to be assessed on all outcomes and will not be informed of what (or will not) be assessed in any particular assessment

Student achievement will be measured appropriately in accordance with the LPC outcomes

All diligent students have an opportunity to achieve and demonstrate the LPC learning outcomes.

The needs of disabled students will be taken into account ensuring equal accessibility of assessments to all students

The assessment for this module comprises 25% MCQ/SAQ and 75% Long Form Questions with a pass mark of 50%.

The remote invigilation is in accordance with SRA requirements.

**Assessment components:**

**Examination** (First Sit)

Description: Open Book examination

Weighting: 100 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO1, MO10, MO11, MO12, MO13, MO14, MO15, MO16, MO17, MO18, MO19, MO2, MO20, MO21, MO3, MO4, MO5, MO6, MO7, MO8, MO9

**Examination (Resit)**

Description: Open Book examination.

Weighting: 100 %

Final assessment: Yes

Group work: No

Learning outcomes tested:

**Examination (Resit)**

Description: Open Book examination.

Weighting: 100 %

Final assessment: Yes

Group work: No

Learning outcomes tested:

**Part 5: Contributes towards**

This module contributes towards the following programmes of study: