Course Syllabus
General Business 7305 – Section 00336
Commercial Law
Fall, 2006
School of Business
University of Houston- Central Campus
Tuesday 6 p.m.- 9 p.m.
Rm. 129 MH

PERSON RESPONSIBLE FOR DEVELOPING SYLLABUS
John L. Green, Ph.D., CPA, J. D.
Visiting Associate Professor

STATEMENT AS TO THE FREQUENCY WITH WHICH REVIEW OF THIS COURSE OCCURS
Course syllabus is reviewed each semester.

INSTRUCTOR INFORMATION

| Name: Dr. John L. Green, Ph.D, CPA, JD |
| E-mail: john@johnlgreen.com |
| Office Phone: 713-743-4563. If no answer call 713/660-7400 and leave a message. |
| Office Location: Melcher, Room 370F |
| Office Hours: Tues. 4:00 – 6:00pm Others by appointment two hours per week. |
| Web Page Address: http://www.bauer.uh.edu |

TEXTBOOK

| Supplementary Text | Optional – Study Guide to accompany West’s Business, 10th Edition |
| Other Required Materials | Read legal issues in Houston Chronicle daily |

COURSE DESCRIPTION
The general purpose of this course is to educate the students as to the basic legal principles which create the legal environment in which business is conducted in the United States.

COURSE SEQUENCE IN CURRICULUM

PRE-REQUISITE INFORMATION
Will discuss in class- CPA candidates oriented class.

RELATION TO THE PURPOSE STATEMENT OF THE UNIVERSITY
In keeping with the University’s commitment to the “development of the whole person,” the School of Business seeks to impart knowledge to the student in order to produce an ethical individual who can operate successfully in the modern legal environment of business.

RELATION TO COLLEGE GOALS AND PURPOSES
To provide students with an understanding of current legal statutes and practices in the legal environment of business.

RELATION TO GOALS FOR MAJOR/PROGRAM
To help students gain an understanding of the impact of the legal process in a free enterprise system.

**LEARNING GOALS**
This course addresses the following learning goals for the MPA Program: (1) capacity to work with others in solving accounting problems.

**COURSE OBJECTIVES**

“The study of the law qualifies a man to be useful to himself, to his neighbors, and to the public.”
Thomas Jefferson, 1790.

1) To study the concept of the law as it relates to the environment in which business is conducted.
2) To analyze the basic principles upon which the law is founded.
3) To explore practical examples of the law as it relates to the business environment.
4) To develop an understanding of the steps necessary to successfully operate in the modern legal business environment.

**Learning Objectives – Broad Skills and Abilities**

1. Improve your critical thinking skills.
2. Improve your listening skills. Improve your active listening skills in any setting and improve your listening skills with peers.
3. Improve your oral communication skills. Improve your ability to communicate in class under pressure, improve your ability to communicate with peers in a classroom setting, and improve your ability to speak in front of others while under pressure.
4. Improve your ability to think and to communicate quickly.
5. Improve your problem solving skills. Learn how to solve difficult problems in a classroom setting.
6. Improve your organization skills.
7. Improve your ability to make connections with how the subject matter fits.

**Legal Environment of Business Learning Objectives**

1. Be able to distinguish between the freedom of contract and the freedom from contract.
2. Be able to define the objective theory of contracts.
3. Be able to distinguish between bilateral and unilateral contracts.
4. Be able to distinguish between express and implied contracts.
5. Know how a quasi contract differs from a contract.
6. Be able to distinguish between formal and informal contracts.
7. Be able to distinguish between executed and executory contracts.
8. Know the differences among valid, void, voidable, and unenforceable contracts.
9. Be able to define the plain meaning rule and other rules relating to the interpretation of contracts.
10. Understand the elements of an offer, why they exist, and how they are determined.
11. Know how the parties can terminate an offer.
12. Understand situations limiting an offeror’s right to revoke.
13. Know how an offer can be terminated by operation of law.
14. Know who may accept an offer.
15. Be able to define unequivocal acceptance.
16. Know in what contractual situations acceptance must be communicated, and when and how it must be communicated.
17. Be able to define consideration and “adequacy of consideration”.
18. Understand how a preexisting duty can satisfy the requirements of consideration and know the exceptions to the preexisting duty rule.
19. Be able to define and illusory promise.
20. Be able to discuss agreements to settle claims or discharge debts.
21. Know in which circumstance promises will be enforced despite the lack of what one normally considers consideration.
22. Know minors’ rights to disaffirm their contracts and what effect their misrepresentation of age and/or contracting for necessities may have on these rights.
23. Know a minor’s duty of restitution.
24. Know when parents are liable for their minor children’s contracts and torts.
25. Know the effect that intoxication has on a person’s contractual capacity.
26. Know under what circumstances contracts made by a mentally incompetent person are void, voidable, and/or valid?

27. Understand the legal significance of the difference between a mistake in judgment as to market conditions and a mistake of fact.

28. Be able to define a unilateral mistake.

29. Be able to define the elements of fraudulent misrepresentation.


31. Be able to define duress.

32. Know what statutes make specific agreements or parts of agreements illegal.

33. Know why some contracts are unenforceable as contrary to public policy.

34. Know some exceptions to the rule that a court will not enforce an illegal agreement.

35. Be able to define the Statute of Frauds.

36. Be able to define the one-year rule.

37. Be able to define a collateral promise and the “main purpose” rule.

38. Know what effect partial performance has on the enforcement of an oral contract, and what happens if the party against whom enforcement of an oral contract is sought admits in court that a contract was made.

39. Know how assignments function and id an assignment can be revoked.

40. Know what problems arise when notice of assignment is not given to the obligor.

41. Be able to define delegation; know what duties can be delegated and what happens if the delegatee fails to perform.

42. Understand the degrees of performance.

43. Be able to define anticipatory repudiation of contact.

44. Know the methods by which a contract can be discharged by agreement and/or operation of law.

45. Know why agency law is essential to the existence and operation of a corporation.

46. Be able to define a principal-agent relationship.

47. Be able to define an employer-employee relationship.

48. Be able to define an employer-independent contract relationship and some of the factors that can determine whether an individual is considered an employer or independent contractor.

49. Know how an agency relationship is created.

50. Know the general duties agents and principals owe each other.

51. Know an agency’s rights and remedies against a principal and a principal’s rights and remedies against an agent.

52. Know what effects a principal’s representations giving up parent authority to an agent have on the principal’s liability.

53. Know what happens if a principal does not ratify an agent’s unauthorized act.

54. Know whether disclosed, partially disclosed, or undisclosed principals and their agents are liable undr contracts made by their agents with third parties.

55. Understand how a principal can be liable for an agent’s torts.

56. Know if an employer is Liable for an employee’s or an independent contractor’s torts.

57. Know if a principal is liable for a subagent’s acts.

58. Know what notice is required to third parties when an agency terminates.

59. Know the primary functions and powers of the Consumer Products Safety Commission.

60. Know what standard the UCC offers for determining whether a contract is unconscionable.

61. Know for what compensatory damages compensate and the measure of these damages on breach of a contract on the sale of goods or land.

62. Be able to define consequential damages and punitive damages.

63. Know an injured party’s duty to mitigate damages.

64. Be able to define liquidated damages.

65. Understand rescission and restitution.

66. Be able to define specific performance.

67. Understand when reformation is used.

68. Understand when recovery may be based on quasi contract.

69. Know the purpose of election of remedies doctrine.

70. Be able to define duress.

71. Know what statutes make specific agreements or parts of agreements illegal.

72. Know why some contracts are unenforceable as contrary to public policy.

73. Know some exceptions to the rule that a court will not enforce an illegal agreement.

74. Be able to define the Statute of Frauds.

75. Be able to define the one-year rule.

76. Be able to define a collateral promise and the “main purpose” rule.

77. Know what effect partial performance has on the enforcement of an oral contract, and what happens if the party against whom enforcement of an oral contract is sought admits in court that a contract was made.

78. Know for what compensatory damages compensate and the measure of these damages on breach of a contract on the sale of goods or land.

79. Be able to define consequential damages and punitive damages.
80. Know an injured party’s duty to mitigate damages.
81. Be able to define liquidated damages.
82. Understand rescission and restitution.
83. Be able to define specific performance.
84. Understand when reformation is used.
85. Understand when recovery may be based on quasi contract.
86. Know the purpose of the election of remedies doctrine.

TOPICAL OUTLINE

INTRODUCTION

I. The Legal Environment of Business

<table>
<thead>
<tr>
<th>Date</th>
<th>Class Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 22</td>
<td>Introduction of Law and Legal Reasoning – Chapter 1</td>
</tr>
<tr>
<td>Aug. 24</td>
<td>A. Courts and ADR – Chapter 2 Questions 1-4,</td>
</tr>
<tr>
<td>Aug. 29</td>
<td>B. Court Procedures – Chapter 3 Questions 1-5</td>
</tr>
<tr>
<td>Aug. 31</td>
<td>C. Negligence and Strict Liability – Chapter 7 – Questions 1 – 5</td>
</tr>
</tbody>
</table>

CONTRACTS

<table>
<thead>
<tr>
<th>Date</th>
<th>Nature and Terminology of Contracts – Chapter 10, Questions 1,2,3,4,5,7,8,9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 5</td>
<td>A. Definition</td>
</tr>
<tr>
<td>Sept. 12</td>
<td>B. The Offer and Acceptance – Chapter 11, Questions 1,2,3,4,5,6,8</td>
</tr>
<tr>
<td>Sept. 12</td>
<td>1. Termination of Offer</td>
</tr>
<tr>
<td>Sept. 12</td>
<td>2. The Acceptance</td>
</tr>
<tr>
<td>Sept. 19</td>
<td>C. Consideration – Chapter 12, Questions 1,2,4,5,7,8,9</td>
</tr>
<tr>
<td>Sept. 19</td>
<td>D. Capacity and Legality – Chapter 13, Questions 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td>Sept. 19</td>
<td>E. Genuineness of Assent – Chapter 14, Questions 1,2,3,4,5,6,8</td>
</tr>
<tr>
<td>Sept. 26</td>
<td>F. Statute of Frauds – Chapter 15, Questions 1,2,3,4,8</td>
</tr>
</tbody>
</table>

EXAM I CHAPTERS 1,2,3,7,10,11,12,13,14,15

<table>
<thead>
<tr>
<th>Date</th>
<th>Third Party Rights – Chapter 16, Questions 1,2,3,4,5,8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 3</td>
<td>G. Performance and Discharge – Chapter 17, Questions 1,2,3,4,6,7</td>
</tr>
<tr>
<td>Oct. 10</td>
<td>H. Breach of Contract and Remedies – Chapter 18, Questions 1,2,3,4,6,7,8</td>
</tr>
</tbody>
</table>

EXAM II CHAPTERS 16,17,18,31,32

III. Negotiable Instrument

<table>
<thead>
<tr>
<th>Date</th>
<th>Negotiable Instrument Chapter 24 Questions 1,2,3,4,6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 31</td>
<td>A. Transferability and Holder in Due Course Chapter 25 Questions 1,2,3,4,6</td>
</tr>
<tr>
<td>Oct. 31</td>
<td>B. Liability, Defenses, and Discharge Chapter 26 Questions 1,2,3,4,5,7</td>
</tr>
<tr>
<td>Nov. 7</td>
<td>C. Checks, The Banking System and E-money Chapter 27 Questions 1,2,3,4,6,7</td>
</tr>
</tbody>
</table>

4
IV. Creditor’s Rights and Bankruptcy

Nov. 14  A. Creditor’s Rights and Remedies Chapter 28 Questions 1,2,3,4,6,7
Nov. 14  B. Secured Transactions Chapter 29 Questions 1,2,3,4,6
Nov. 21  C. Professional Liability and Accountability Chapter 51 Questions 1,2,3,4,5,7
Nov 21. D. Bankruptcy Law Ch. 30 1,2,3,4,5,7

Nov. 28  Class Project & Review Last Day of Class

TBA

“CLASS ATTENDANCE IS ABSOLUTELY ESSENTIAL”

Reading Assignment: Students must be prepared to cover material in Topical Outline each class period (unless otherwise advised).

Exam Dates: To be announced (see attached schedule)

Make Up Examination: All students are required to take examinations and turn in all required work at the scheduled time. If a student has a job related or emergency conflict with a scheduled examination the student must notify the instructor prior to the scheduled examination to schedule a time and date for the examination. In the event of an emergency and the student is unable to take a scheduled examination, the student will be required to present some evidence of the emergency immediately after the emergency and to reschedule an examination time and date. If in the opinion of this professor the omission does not rise to the level of an emergency a grade of zero will be assigned to the missed examination.

Case Recitations: All students will be assigned cases from the textbook to present to the class discussion. Two percentage points will be deducted from your final course grade for each case, which you fail to present as assigned limited to 15% of total grade.

Attendance: Each student is required to be present for at least two-thirds of the class sessions. A grade of “F” will be assigned to a student who does not meet this university’s minimum attendance requirement. Attendance will be considered as a factor in determining the 10% grade for class participation. This policy applies regardless of the ability of the student and the quality of the work he or she has done.

ASSESSMENT OF LEARNING
1) Course requirements –Each student must study textbook material, actively participate in class discussions, orally present assigned case material to stimulate discussion and learning in class, and take three written examinations.

2) Grading standards – Two exams, class participation in case assignments and a comprehensive final exam. See attached schedule. The examinations will consist of a combination of objective questions, short answer essays and written analysis of fact scenarios.

10% Class participation
25% Exam I
25% Exam II
30% Final Exam - Comprehensive
10% Group Interest

A = 95 –100%
A- = 90 – 94%
B+ = 85 – 89%
B = 80 – 84%
B- = 75 –79%
C = 70 – 74%
D = 60 – 69%
F = Below 60%

3) Method of student appraisal of facility – Written appraisal requested at end of term; verbal appraisal requested after each examination.

4) Method of evaluating student response to course – Review of student evaluation sheets plus verbal feedback from students.
STUDENT APPRAISAL
Students will complete an Opinionnaire during the Fall and Spring quarters.

CLASS POLICIES

Academic Honesty
Academic honesty expectations will be consistent with University of Houston Policy This policy states that “the faculty member will decide whether to assign a zero for the specific component of work involved or an “F” for the course in the case of a classroom violation.”

University of Houston views any act of academic dishonesty as a violation of the very heart of the nature of the University as expressed in the University’s Bulletin. Academic dishonesty occurs when a student submits the work or record of someone else as his own or when a student has special information for use in an evaluation activity that is not available to other students in the same activity.

It is my responsibility to establish clearly whether academic dishonesty has occurred. I will decide whether to assign a zero for the specific component of work involved or an “F” for the course in the case of a classroom violation. I have a duty to report the incident to the Dean of the School. An existing Standards Committee within each College will serve as a hearing committee to assure that the student receives a fair hearing. The committee may take further action when academic dishonesty has occurred or may recommend further action to a standing University committee, i.e. Student Affairs or Admissions Committee. In every case, however, the grade assigned in the course is the province of the instructor. The Vice President for Academic Affairs should be notified of action taken by the Standards Committee.

Grievance Procedures
Grades in academic courses may be appealed by the student, through the office of the Dean in which the course is taught. Students should follow this procedure:
1. The student should first discuss the disputed grade with the faculty member.
2. If no resolution can be achieved, an informal hearing will be scheduled by the Dean before a Standards Committee that exists in the college. The membership committee is composed of both student and faculty representatives. Formal due process is not observed. The Committee has no coercive authority to force the change of a grade; however, the hearing aspect of the Committee process serves to assure integrity in the assigning of grades to students by faculty.

If a student questions any grade as recorded in the University’s Registrar’s Office, the student has a period of one year beginning the end of the term in which the grade was awarded, or six months after the degree is conferred (whichever comes sooner), to challenge the accuracy of the grade. At the end of five years, the permanent record card will become the absolute record and a record may NOT be challenged for any reason.

Learning Disabilities
If you have a learning disability and need a special accommodation, consult first with the office of Center for Disabilities, and then discuss the accommodation with the instructor during the first week of class.

Children in the Classroom
Children are not allowed in the classroom.

ADDITIONAL COMMENTS REGARDING THE SIGNIFICANCE OF THE COURSE IN TERMS OF HISTORY, MOMENT, MOVEMENT, TRENDS, TIMELINES, BODY OF BASIC KNOWLEDGE, ETC.
The content of this outline and the attached schedule are subject to change at the discretion of the instructor.

**Instructor’s Signature**

**General Business 7397**
**Person Responsible for Developing Syllabus:** John L. Green, Ph.D, CPA, J.D.
Professor of Accounting

**Person Responsible for Developing Syllabus:** John L. Green, Ph.D., CPA, J. D.
Professor of Accounting