

**Business Associations**  
**Law 6060 § 2 (Reference # 08871)**  
**MTWR 8:20 – 9:15**  
**Room 103**

Instructor:	Jon Klick
Office:	315
Office Phone:	644-5714
Email:	<a href="mailto:jklick@law.fsu.edu">jklick@law.fsu.edu</a>
Office Hours:	MTWR: 9:15 – 10:00

**Objective:** To familiarize students with the legal environment of partnerships, corporations, and various other unincorporated business entities, stressing the microeconomic foundations of various organizational forms to highlight the problems solved and created by each form.

**Required Text:** William A. Klein, J. Mark Ramseyer, and Stephen M. Bainbridge, *Business Associations: Cases and Materials on Agency, Partnerships, and Corporations*, 5<sup>th</sup> ed. (New York: Foundation Press, 2003), as well as supplemental articles as assigned.

**Recommended:** 2004 Statutes and Rules to accompany main text, as well as *Wall Street Journal*.

**Attendance Policy:** The ABA believes it knows how to allocate your time better than you do, so it mandates an 80 percent minimum attendance policy. Eventually, you will benefit from these kinds of entry restrictions.

**Grading:** Grades will be based entirely on the final exam, which has been scheduled by the law school for November 29, 2004 from 8:30 – 12:30. Exam grades will be curved to meet law school requirements.

**Class Participation:** Although I do solicit comments and questions from students while I lecture, I find the Socratic method tedious and inefficient. Voluntary participation is heartily encouraged, as it will likely make the lectures more fun for all involved.

**Reading Schedule:** The calendar that follows is rough and we are certain to get off track often during the year. In the casebook, try to read about 15 – 20 pages beyond the point where the lecture ends during the previous class meeting if you want to keep up with the readings. The assigned articles come primarily from economics journals and will be posted on Blackboard. Read for intuition and conceptual framework; ignore any math that is beyond your training . . . there (probably) won't be any calculus on the exam.

**Students with Disabilities:** Please discuss any necessary accommodations with the instructor.

**Microfoundations of Business Organization**

- August 23:** Introduction
- August 24:** Coase, R.H. (1937). "The Nature of the Firm." *Economica*, 4(16): 386-405.
- August 25:** Cheung, Steven (1983). "The Contractual Nature of the Firm." *Journal of Law and Economics*, 26(1): 1-21.
- August 26:** Rubin, Paul (1978). "Theory of the Firm and the Structure of the Franchise Contract." *Journal of Law and Economics*, 21(1): 223-233.
- Optional:** Jensen, Michael, and William Meckling (1976). "Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure." *Journal of Financial Economics*, 3(4): 305-360.
- August 27:** **Make-up for Sept. 22:** Overview of relevant economic and finance topics.

**Chapter 1: Agency**

- August 30:** Casebook pp. 1-13.
- August 31:** Casebook pp. 14-35.
- September 1:** Casebook pp. 36-46.
- September 2:** Casebook pp. 47-80.
- September 3:** **Make up for November 22:** Casebook 47-80 continued.
- September 6:** Labor Day; no class.
- September 7:** Casebook pp. 81-91.

**Chapter 2: Partnerships**

- September 8:** Casebook pp. 92-106.

<b>September 9:</b>	Casebook pp. 107-133.
<b>September 10:</b>	<b>Make up for November 23:</b> Casebook 107-133 continued.
<b>September 13:</b>	Casebook pp. 134-153.
<b>September 14:</b>	Casebook pp. 154-165.
<b>September 15:</b>	Casebook pp. 165-179.
<b>September 16:</b>	Casebook pp. 180-197.

### Chapter 3: The Nature of the Corporation

<b>September 20:</b>	Fama, Eugene (1980). "Agency Problems and the Theory of the Firm." <i>Journal of Political Economy</i> , 88(2): 288-307. <b>Optional:</b> Fama, Eugene, and Michael Jensen (1983). "Separation of Ownership and Control." <i>Journal of Law and Economics</i> , 26(2): 301-325.
<b>September 21:</b>	La Porta, Rafael, Florencio Lopez-de-Silanes, and Andrei Shleifer (1999). "Corporate Ownership Around the World." <i>Journal of Finance</i> , 54(2): 471-517.
<b>September 22:</b>	<b>No Class.</b>
<b>September 23:</b>	Casebook pp. 199-231.
<b>September 27:</b>	Casebook pp. 232-240.
<b>September 28:</b>	Casebook pp. 241-255.
<b>September 29:</b>	Casebook pp. 256-269.
<b>September 30:</b>	Casebook pp. 270-286.

### Chapter 4: The Limited Liability Company

<b>October 4:</b>	Casebook pp. 287-299.
<b>October 5:</b>	Casebook pp. 300-315.

### Chapter 5: The Duty of Officers, Directors, and Other Insiders

<b>October 6-7:</b>	Casebook pp. 316-367.
<b>October 11-12:</b>	Casebook pp. 368-402.
<b>October 13, 14, 18:</b>	Casebook pp. 403-476.
<b>October 19:</b>	Casebook pp. 477-510.
<b>October 20:</b>	Casebook pp. 511-538.
<b>October 21:</b>	Manne, Henry (1985). "Insider Trading and Property Rights in New Information." <i>Cato Journal</i> , 4(3): 933-943.

### Chapter 6: Problems of Control

<b>October 25:</b>	Casebook pp. 539-564.
<b>October 26:</b>	Casebook pp. 565-591.
<b>October 27:</b>	Casebook pp. 592-605.
<b>October 28:</b>	Casebook pp. 606-637.
<b>November 1:</b>	Casebook pp. 638-671.
<b>November 2:</b>	Casebook pp. 672-694.
<b>November 3:</b>	Casebook pp. 695-715.

### Chapter 7: Mergers, Acquisitions, and Takeovers

<b>November 4:</b>	Manne, Henry (1965). "Mergers and the Market for Corporate Control." <i>Journal of Political Economy</i> , 73(2): 110-120.
<b>November 8-9:</b>	Casebook pp. 716-762.
<b>November 10:</b>	Casebook pp. 763-773.
<b>November 11:</b>	Veterans' Day; no class.
<b>November 16-17:</b>	Casebook pp. 773-823.
<b>November 18:</b>	Casebook pp. 824-859.
<b>November 22-23:</b>	<b>No Class.</b>
<b>November 24:</b>	Review
<b>November 29:</b>	Final Exam 8:30-12:30