

**Business Associations– Law 6060 § 1**  
**Jon Klick**

Class Details  
MTR: 8:00 – 9:15  
Room R107

Office Hours  
MTR: 10:30-11:30  
Room 315 (644-5714)

**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*, 5th ed. (New York: Foundation Press, 2003), as well as supplemental articles as assigned.

**Recommended:** 2005 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, 2005 from 8:30 – 12:30. Exam grades will be curved to meet law school requirements.

**Course Schedule:**

*Theory of the Firm*

- August 22:** Introduction  
**August 23:** Coase (1937). “The Nature of the Firm.” *Economica*, 4(16): 386-405.  
**August 25:** Jensen and Meckling (1976). “Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure.” *Journal of Financial Economics*, 3(4).  
**August 26:** Make-up for August 29. Review of Economic and Finance Topics.  
**August 29:** No Class (Made up August 26.)  
**August 30:** No Class (to be made up on September 9)  
**September 1:** Cheung (1983). “The Contractual Nature of the Firm.” *Journal of Law and Economics*, 26(1): 1-21.  
**September 5:** No Class (Labor Day)

**Chapter 1: Agency**

- September 6:**  
**September 8:**  
**September 9:** Make up for August 30.  
**September 12:**  
**September 13:**

**Chapter 2: Partnerships**

- September 15:**  
**September 16:** Make up for September 22.  
**September 19:**  
**September 20:**  
**September 22:** No Class (Made up on September 16)  
**September 26:**  
**September 27:**

**Chapter 3: The Nature of the Corporation**

**September 29:**

**October 3:**

**October 4:**

**October 6:**

**October 10:**

**October 11:**

**Chapter 4: The Limited Liability Company**

**October 13:**

**October 17:**

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

**October 18:**

**October 20:**

**October 24:**

**October 25:**

**October 27:**

**October 31:**

**November 1:**

**November 3:**

**Chapter 6: Problems of Control**

**November 7:**

**November 8:**

**November 10:**

**November 14:**

**November 15:**

**November 17:**

**November 21:**

**November 22:** [Manne \(1965\). "Mergers and the Market for Corporate Control." \*Journal of Political Economy\*, 73\(2\): 110-120.](#)

**November 29:** Exam 8:30-12:30