



**DALHOUSIE  
UNIVERSITY**

FACULTY OF MANAGEMENT  
Rowe School of Business

**MBA (Financial Services and Leadership)**

**BUSI 6601 Legal Aspects of Business  
Summer, 2021**

**RECOGNITION OF MI'KMAQ TERRITORY**

**Dalhousie University is located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq. We are all Treaty people.**

The Elders in Residence program provides students with access to First Nations Elders for guidance, counsel and support. Visit the office in the Indigenous Student Centre, 1321 Edward Street, or email [Elders@dal.ca](mailto:Elders@dal.ca).

**Professor Name: Ray Klapstein**

**Pronouns: he, him, uncle, hey you**

**Office Hours: any time, via e-mail: [r.e.klapstein@dal.ca](mailto:r.e.klapstein@dal.ca)**

**Course Description:**

**This course focuses on law and legal compliance from the perspective of managing risk. Being the only legal aspects course in the program, it establishes a foundation in the most relevant areas of law, including torts, contracts, interventions by equity, insurance, and business associations. It also considers the real-world problems faced by those engaged in the practice of corporate governance.**

**Prerequisites:**

There are no prerequisites for this course.

**Learning Objectives:**

**Lesson 1:** Upon completion of this lesson, you should be able to:

1. Define the concepts of risk and legal risk.
2. Describe the ways that legal risks can arise.
3. Show the four ways that risks can be managed.
4. Identify the four steps in a risk management plan.
5. Explain why issues regarding governance arise when business is carried out through an incorporated company.
6. Describe the difference between law and ethics and the role of each in regulating behaviour.

**Lesson 2:** Upon completion of this lesson, you should be able to:

1. Describe how Canada came to have the form of government that it now has.
2. Explain what is meant by the term “separation of powers” and describe how it is achieved in the Canadian system.
3. Explain how power is divided between the Government of Canada and the provinces.
4. Explain how the Canadian Charter of Rights and Freedoms acts to limit law-making powers in Canada.
5. Show how each of the three branches of government in Canada become involved in law-making.
6. Explain the doctrine of “the supremacy of parliament,” and give examples of its application.
7. Distinguish between common law and equity and explain how they interact in the Canadian judicial system.

**Lesson 3:** Upon completion of this lesson, you should be able to:

1. Describe the objective of the law of torts.
2. Explain how each individual tort is broken into constituent *elements* for purposes of analysis.
3. Describe the objective test of *the reasonable person*, and explain why and how it is applied in the law of torts.
4. Distinguish between *intentional* torts and *unintentional* torts.
5. Explain how *defences* can be used by the defendant in a legal action to reduce or eliminate liability for commission of a tort.
6. State the elements of the tort of *negligence* and demonstrate their application in the analysis of cases.
7. Identify the three approaches a defendant can take to totally avoid liability *even if* s/he has been negligent.
8. Describe the *defences* that may be available to the defendant when being sued even if all of the elements of the tort of negligence are proven to be present.
9. Explain when and how employers can be held to be *vicariously liable* for torts committed by their employees.

**Lesson 4:** Upon completion of this lesson, you should be able to:

1. Define a contract and explain the requirements for contract formation.
2. Identify and describe the five categories of situations faced by the court in cases dealing with contracts, and show the consequences that flow in each category.
3. Describe the three different types of mistake that can occur at the time of contract formation.
4. Define duress and explain how the law treats contracts formed as a result of duress.
5. State the Parol Evidence Rule, identify the exceptions to it, and distinguish the situations that fall outside the rule.
6. Identify and describe the various ways in which contractual situations can be discharged.

7. Explain the principles underlying the availability of the remedy of money damages for breach of contract.
8. Identify and describe the different types of breach of contract and the impact of type of breach on what remedies are available to the innocent party.
9. Define and explain the availability of the remedy of *quantum meruit*.
10. Describe how the courts interpret and apply provisions in standard form contracts, and why.

**Lesson 5:** Upon completion of this lesson, you should be able to:

1. Explain the role of equity in protecting weaker parties in contractual relationships with parties who are in a position to exploit them.
2. Explain the steps that a party who is in a position to take advantage must take to ensure that contractual arrangements with a weaker party will not be set aside by equity.
3. Identify the grounds upon which equity will set a contract aside because of unconscionability.
4. Identify the requirements that must be met for equity to rescind a contract as a result of misrepresentations made before the contract was formed.
5. Explain how equity treats contracts entered by parties who have not reached the age of majority or lack the mental ability to understand the nature of their contractual commitments.
6. Identify the requirements that must be met in order for equity to enforce an agreement to release a party from his obligation to perform all of his contractual commitments.
7. Describe the equitable remedies for breach of contract and explain when they are available.
8. Explain what is meant by a *fiduciary* relationship.
9. Describe the three generic types of agency.
10. Identify the ways an agency relationship is formed.
11. Distinguish between *actual* and *apparent* authority in agency situations.
12. Explain how *agency by estoppel* arises, and what a principal must do to avoid being bound when an agent acts outside the scope of her actual authority.

**Lesson 6:** Upon completion of this lesson, you should be able to:

1. Describe the different types of estates in land.
2. Explain what a real property mortgage is, and describe how first and second order mortgages work.
3. Show why interests in land must be registered or recorded, and how the legislation requiring it works.
4. Identify the different forms of concurrent ownership of real property.
5. Describe the two types of personal property.
6. Describe the different types of security interests that can be held in personal property.

7. Show how the Personal Property Security Act operates regarding the enforcement of security interests held in personal property.
8. Describe the structure of a trust and identify the parties to it and their rights and obligations

**Lesson 7:** Upon completion of this lesson, you should be able to:

1. Describe the basic characteristics of the two classes of insurance, indemnity and non-indemnity insurance.
2. Explain the role of insurance in managing risk.
3. Define *insurable interest* and explain why it is required as a condition of recovery under the terms of an insurance policy.
4. Identify the elements that are essential to every insurance contract.
5. Identify the two things that must be included in the description of the risk covered by an insurance policy.
6. Explain what is meant by *duty of disclosure* in the law of insurance and describe the consequences of failing to meet this duty.
7. Define *subrogation* and explain its implications for insured parties who have a claim under the coverage provided by a policy.
8. Distinguish between *pure indemnity insurance* and *agreed value indemnity insurance*.
9. Explain what *co-insurance* is.
10. Describe an insured person's *duty to mitigate*.
11. Show how *life insurance* differs from indemnity insurance, and describe the major forms of life insurance.
12. Describe the ways in which *group insurance* differs from individual insurance.

**Lesson 8:** Upon completion of this lesson, you should be able to:

1. Explain what an employer-employee relationship is.
2. Describe the rights afforded to employees by Human Rights legislation.
3. Describe the rights afforded to employees by Employment Standards legislation.
4. Explain what *BFORs* and affirmative action programs are and how they operate in the face of Human rights legislation.
5. Distinguish between dismissal with just cause and dismissal without just cause, and show what constitutes just cause and what the rights of the dismissed employee are when dismissed without just cause.
6. Describe the steps in the collective bargaining process.
7. Explain what strikes and lockouts are and when they can legally occur.
8. Explain when alternate dispute resolution mechanisms like binding arbitration are used in labour relations and how they work.
9. Describe the different types of arrangement regarding the status of new employees who are hired into a bargaining unit already represented by a union.
10. Show the rights and obligations of the employer, union, and individual bargaining unit members when a certified union is in place.

**Lesson 9:** Upon completion of this lesson, you should be able to:

1. Distinguish among the major forms of legal structure of business ventures and identify the major characteristics of each form.
2. Explain the nature and degree of partners' exposure to risk of liability in *general partnerships, limited partnerships, and limited liability partnerships*.
3. Identify and describe the different legislative approaches that provide for the incorporation of companies in Canada.
4. Describe the relationship of *shareholders* and *directors* to their companies.
5. Show how agency law applies to the relationship of companies to the various stakeholders with which they have relationships.
6. Explain what a *derivative action* is and what the *oppression remedy* is, and describe how they are used to protect the interests of minority shareholders.
7. Describe the duties that a *director* has to his company and its shareholders.
8. Identify the distinguishing characteristics of corporate forms other than companies, including *joint ventures, crown corporations, municipal governments, and unions*, and show how they differ from incorporated companies.

**Lesson 10:** Upon completion of this lesson, you should be able to:

1. Describe how the role of corporate directors and their relationship to corporate senior management evolved and how it has changed in recent years.
2. Distinguish between the shareholder and stakeholder models of directors' responsibilities.
3. Explain the difference between inside/related and independent directors and show why having strong independent directors is important.
4. State the arguments for splitting the roles of CEO and Board Chairman.
5. Identify and describe the major problem areas in corporate governance, including the rapid increase in executive compensation and the formulae used for executive bonuses and stock options, and show how these can be improved.
6. Identify and describe the roles of major board of directors committees, including the audit committee, the compensation committee, and the governance and nominating committee.
7. Identify the characteristics of a *profession*, and discuss the professionalization of the role of corporate director.

### **Learning Materials:**

### **Required Texts:**

1. *Contemporary Canadian Business Law*, 12th edition, Willes & Willes, McGraw Hill, 2020.

2. *Tougher Boards for Tougher Times*, William A. Dimma, John Wiley & Sons Inc., 2006.

### **Grading Scale for Masters Students**

#### Grading Scale as per Dalhousie Faculty of Graduate Studies Calendar Regulation 6.6.2 Grading Policy

Letter Grade	Numerical % equivalent
A+	90 - 100
A	85 - 89
A-	80 - 84
B+	77 - 79
B	73 - 76
B -	70 - 72
F	0-69

#### **Method of Evaluation/ Marking Scheme:** (example)

3 Assignments and 1 Term Paper @ 15%	60%
Final Exam	<u>40%</u>
	<b>100%</b>

The Final Exam will be conducted online at the end of the Intensive session.

**NOTE:** As per FGS regulations students must obtain a final course grade of 70% (B-) or higher to pass the course.

**DO NOT MAKE ANY TRAVEL PLANS UNTIL THE SCHEDULE IS POSTED BY  
THE REGISTRAR'S OFFICE**

## **Course Schedule, Summer, 2021**

### **Weeks 1 to 3 (May 12 to May 31) –**

Lesson 1: Preliminary Thoughts on the Study of Law  
Lesson 2: Sources and Systems of Canadian Law  
Lesson 3: The Law of Torts

### **May 31 – Assignment 1 due**

### **Weeks 4 to 6 (May 31 to June 21) –**

Lesson 4: The Law of Contracts  
Lesson 5: Equity and Fiduciary Obligations

### **June 21 – Assignment 2 due**

### **Weeks 7 to 9 (June 21 to July 12) –**

Lesson 6: The Law of Property  
Lesson 7: The Law of Insurance  
Lesson 8: The Law of Labour Relations

### **July 12 – Assignment 3 due**

### **Weeks 10 to 12 (July 12 to August 2) –**

Lesson 9: Forms of Business Association  
Lesson 10: Corporate Governance

### **August 2 – Term Paper due**

### **August 16 to 19 - Intensive Session with Final Examination on the morning of the final day**

**Accreditation:**

As an AACSB (Association to Advance Collegiate Schools of Business) accredited university, Dalhousie University's business programs are subject to Assurance of Learning (AOL) standards. During the semester anonymous data may be collected to assess if AOL goals and objectives are being met. The data collected will be used for program improvement purposes only and will not impact nor be associated with student grades.

**Certificates of Illness:**

Medical notes must be submitted to the MBA Program office or Professor, whichever you prefer. Please note that it is a university regulation that medical notes will not normally be accepted after a lapse of more than one week from the examination date.

**Accessibility:**

The Student Accessibility centre is Dalhousie's centre of expertise for students accessibility and accommodation. The advising team works with students on the Halifax campus who request accommodation as a result of: a disability, religious obligation, or any barrier related to any other characteristic protected under Human Rights legislation (NS, NB, PEI, NFLD).

If there are aspects of the design, instruction, and/or experiences within this course that result in barriers to your inclusion, please contact the Student Accessibility Centre ([https://www.dal.ca/campus\\_life/academic-support/accessibility.html](https://www.dal.ca/campus_life/academic-support/accessibility.html)) for more information or to obtain the Request for Accommodation form.

Please note that your classroom may contain specialized accessible furniture and equipment. It is important that these items remain in the classroom, untouched, so that students who require their usage will be able to fully participate in the class.

**Academic Integrity:**

At Dalhousie University, we are guided in all our work by the values of academic integrity: honesty, trust, fairness, responsibility and respect. As a student, you are required to demonstrate these values in all of the work you do. The University provides policies and procedures that every member of the university community is required to follow to ensure academic integrity. (read more: [https://www.dal.ca/dept/university\\_secretariat/academic-integrity.html](https://www.dal.ca/dept/university_secretariat/academic-integrity.html))

In general: The commitment of the Faculty of Management is to graduate future leaders of business, government and civil society who manage with integrity and get things done. This is non-negotiable in our community and it starts with your first class at Dalhousie University. So when you submit any work for evaluation in this course or any other, please ensure that you are familiar with your obligations under the Faculty of Management's Academic Integrity Policies and that you understand where to go for help and advice in living up to our standards. You should be familiar with the Faculty of Management Professor and Student Contract on Academic Integrity, and it is your responsibility to ask questions if there is anything you do not understand.

Dalhousie offers many ways to learn about academic writing and presentations so that all members



of the University community may acknowledge the intellectual property of others. Knowing how to find, evaluate, select, synthesize and cite information for use in assignments is called being “information literate.” Information literacy is taught by Dalhousie University Librarians in classes and through Dalhousie Libraries’ online [Citing & Writing](#) tutorials.

Do not plagiarize any materials for this course. For further guidance on what constitutes plagiarism, how to avoid it, and proper methods for attributing sources, please consult the University Secretariat’s [Academic Integrity](#) page.

Please note that Dalhousie subscribes to plagiarism detection software that checks for originality in submitted papers. Any paper submitted by a student at Dalhousie University may be checked for originality to confirm that the student has not plagiarized from other sources. Plagiarism is considered a very serious academic offence that may lead to loss of credit, suspension or expulsion from the University, or even the revocation of a degree. It is essential that there be correct attribution of authorities from which facts and opinions have been derived. At Dalhousie, there are University Regulations which deal with plagiarism and, prior to submitting any paper in a course; students should read the Policy on [Intellectual Honesty](#) contained in the Calendar.

Furthermore, the University’s Senate has affirmed the right of any instructor to require that student assignments be submitted in both written and computer readable format, e.g.: a text file or as an email attachment, and to submit any paper to a check such as that performed by the plagiarism detection software. As a student in this class, you are to keep an electronic copy of any paper you submit, and the course instructor may require you to submit that electronic copy on demand. Use of third-party originality checking software does not preclude instructor use of alternate means to identify lapses in originality and attribution. The result of such assessment may be used as evidence in any disciplinary action taken by the Senate.

Finally: If you suspect cheating by colleagues or lapses in standards by a professor, you may use the confidential email: [managementintegrity@dal.ca](mailto:managementintegrity@dal.ca) which is read only by the Assistant Academic Integrity Officer.

### Faculty of Management clarification on plagiarism versus collaboration:

There are many forms of plagiarism, for instance, copying on exams and assignments. There is a clear line between group work on assignments when explicitly authorised by the professor and copying solutions from others. It is permissible to work on assignments with your friends but only when the professor gives you permission in the specific context of the assignment. University rules clearly stipulate that all assignments should be undertaken individually unless specifically authorised.

Specific examples of plagiarism include, but are not limited to, the following:

- Copying a computer file from another student, and using it as a template for your own solution
- Copying text written by another student
- Submitting the work of someone else, including that of a tutor as your own

An example of acceptable collaboration includes the following:

- When authorised by the professor, discussing the issues and underlying factors of a case with fellow students, and then each of the students writing up their submissions individually, from start to finish.

## Student Code of Conduct

Everyone at Dalhousie is expected to treat others with dignity and respect. The Code of Student Conduct allows Dalhousie to take disciplinary action if students don't follow this community expectation. When appropriate, violations of the code can be resolved in a reasonable and informal manner – perhaps through a restorative justice process. If an informal resolution can't be reached, or would be inappropriate, procedures exist for formal dispute resolution. (Read more: [https://www.dal.ca/dept/university\\_secretariat/policies/student-life/code-of-student-conduct.html](https://www.dal.ca/dept/university_secretariat/policies/student-life/code-of-student-conduct.html))

## Diversity and Inclusion – Culture of Respect

Every person at Dalhousie has a right to be respected and safe. We believe inclusiveness is fundamental to education. Dalhousie is strengthened in our diversity and dedicated to achieving equity. We are committed to being a respectful and inclusive community where everyone feels welcome and supported, which is why our university prioritizes fostering a culture of diversity and inclusiveness. (Read more: <https://www.dal.ca/cultureofrespect.html>)

## Fair Dealing Policy

The Dalhousie University Fair Dealing Policy provides guidance for the limited use of copyright protected material without the risk of infringement and without having to seek the permission of copyright owners. It is intended to provide a balance between the rights of creators and the rights

of the users at Dalhousie. (Read more: [https://www.dal.ca/dept/university\\_secretariat/policies/academic/fair-dealing-policy-.html](https://www.dal.ca/dept/university_secretariat/policies/academic/fair-dealing-policy-.html))

### **Statement On The Use Of Scented Products:**

Dalhousie University and the organizations which represent students, faculty and other employees support the efforts of the Dalhousie University Environmental Health and Safety Committee to create a scent-free University. In consideration of the difficulties that exposure to these products cause sensitive individuals, the University encourages faculty, staff, students and visitors to avoid the use of scented personal care products. Thank you for helping us all breathe easier! (Read more: <https://www.dal.ca/dept/safety/programs-services/occupational-safety/scent-free.html>)

### **University Policies and Programs**

Important Dates in the Academic Year: [https://www.dal.ca/academics/important\\_dates.html](https://www.dal.ca/academics/important_dates.html)

Dalhousie Grading Practices Policy:

[https://www.dal.ca/dept/university\\_secretariat/policies/academic/grading-practices-policy.html](https://www.dal.ca/dept/university_secretariat/policies/academic/grading-practices-policy.html)

Grade Appeal Process:

[https://www.dal.ca/campus\\_life/academic-support/grades-and-student-records/appealing-a-grade.html](https://www.dal.ca/campus_life/academic-support/grades-and-student-records/appealing-a-grade.html)

Sexualized Violence Policy:

[https://www.dal.ca/dept/university\\_secretariat/policies/human-rights---equity/sexualized-violence-policy.html](https://www.dal.ca/dept/university_secretariat/policies/human-rights---equity/sexualized-violence-policy.html)