

Liverpool John Moores University

Title: Law for Accountants
Status: Definitive
Code: **5005LBSAF** (122023)
Version Start Date: 01-08-2021

Owning School/Faculty: Business and Management
Teaching School/Faculty: Business and Management

Team	Leader
Katie Hall	Y

Academic Level: FHEQ5
Credit Value: 20
Total Delivered Hours: 47
Total Learning Hours: 200
Private Study: 153

Delivery Options

Course typically offered: Semester 1

Component	Contact Hours
Lecture	22
Online	11
Seminar	11

Grading Basis: 40 %

Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Essay	AS1	Case study scenarios 1500 words	20	
Exam	AS2	Closed Book Exam	80	3

Aims

This module enables students, as potential Accountants, to understand and apply a knowledge of the English Legal System, the basic Law of tort (negligence), The Law of contract, and agency.

The module provides an understanding of the legal nature of the limited company

and of its constitution; the basic rules for the protection of potential investors; the company law requirements concerning corporate reports and accounts; the duties of directors and auditors; the concept of majority rule and minority protection and the corporate insolvency regimes.

Learning Outcomes

After completing the module the student should be able to:

- 1 Apply the Law of Contract, negligence and agency to a factual situation(s).
- 2 Demonstrate an understanding of company law including, limited liability, corporate capacity, articles of association.
- 3 Describe the doctrine of maintenance of capital, the rules which give effect to it and the company law requirements concerning corporate reports and accountants.
- 4 Explain the distribution of power within the company between the board and the company in general meetings. Show understanding of directors' Statutory Duties under the Companies Act.
- 5 Explain the duty of the auditor and the limits on the tortious liability of the auditor. List the remedies for mismanagement contained in the Insolvency Act 1986

Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

Essay 1500 words	1				
Closed Book Exam	2	3	4	5	

Outline Syllabus

1. The English Legal System

Custom, Legislation, Judicial Precedent and European Community Law as sources of English Law.

The system of courts in England and Wales.

2. The Law of Tort

Negligence. Elements of the tort of Negligence. Nervous Shock. The doctrines of res ipsa loquitur, Contributory negligence and vicarious liability. Strict liability. Liability for negligent misstatement. Remedies in tort.

3. The Law of Contract

Definition of a Contract. Classification of Contracts. Essential elements of a valid simple contract viz an agreement, intention to create legal relations and consideration. Form. Contractual capacity of minors and persons of unsound mind. The doctrine of privity of Contract. Vitiating factors in a Contract (in outline only). Terms of a Contract. Remedies for breach of contract.

4. Agency. The relationship between principles and agent. Agent's liability for its actions.

5. Formation of the limited company; concepts of corporate personality and the limited liability. Contents of the memorandum of association. Nature of the articles of association.

6. Maintenance of capital, issues at a premium and discount; company purchase of its own shares; prohibition of giving financial assistance.

7. Distribution of power within the company; removal of directors; director's duties. The rule in Foss & Harbottle and the exceptions to it.

8. Corporate reports and accounts. Appointment and removal of the auditor; auditor's duty and liability. Liability under the Insolvency Act 1986 for wrongful trading, fraudulent trading and misfeasance

Learning Activities

Lectures and seminars.

Notes

This module will enable students to understand the basic principles of English law as it affects their practical roles in the Commercial World. Also, this module provides a greater depth of Company Law as a specialist area and is aimed at students with ambitions to go into professional practice as accountants.