



UNIVERSITÀ  
DEGLI STUDI DI MILANO-BICOCCA

## COURSE SYLLABUS

### Foundations of Business Law

1718-4-A5810244

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#### Learning objectives

The course provides an overview of some of the most important legal pillars of modern economies (corporations, insurance and bankruptcy) both from a historical and an economic point of view. The course is aimed at helping students to gain a more critical awareness of current regulations of business activities across modern legal systems.

#### Contents

For attending students

Part 1: Lex mercatoria/law merchant: a law made by merchants for merchants; how to do business? Different forms of organization among merchants (partnerships – companies – corporations); a necessary tool to preserve business and goods: insurance; merchants in troubles: bankruptcy.

Part 2: Corporations: the essential role of organizational law; characteristics and functions of the corporate entity. Insurance: risk aversion and its implications; the insurance technique; principles underlying the regulation of insurance contracts and firms. Bankruptcy: the basic dynamics of the relationship between a firm and its creditors; the logic and limits of bankruptcy law.

For non attending students

Topics included in the reading materials.

## Detailed program

The course focuses on both the historical and the economic foundations of some of the legal pillars of modern economies: corporations, insurance and bankruptcy. Such institutions can be seen as answers, shaped by centuries of legal practice across different systems, to a complex web of basic needs that emerged in societies along the development of business activities.

The first part of the course deals with the historical roots and the development of law merchant, a customary law with its own rules and courts that from medieval Italian communes spread throughout Europe. Some pivotal aspects are taken into particular consideration, such as the different forms of partnership developed in order to succeed in business; the means introduced to guarantee trades and goods against the risks deriving from business activities; the consequences of crisis and failure of business undertakings.

In the second part, the same topics are explored through the lenses of economic analysis of law. Starting from specific examples, the basic functions and principles underlying each institution are highlighted. From these conceptual tools, relevant applications to some current regulatory issues are derived.

## Prerequisites

## Teaching methods

Lectures and problem-based discussions; slides; reading of historical sources and documents; interaction by the e-learning website.

## Assessment methods

Oral exam. Other options of examination (e.g. research paper, oral presentation, written test) may be arranged for students attending classes.

## Textbooks and Reading Materials

For attending students

Class notes and materials published on the e-learning website.

For non attending students

Part 1: *From Lex Mercatoria to Commercial Law*, ed. by V. Piergiovanni, Berlin, Duncker & Humblot, 2005 (Comparative studies in continental and Anglo-American legal history 24): p. 53-67 (Cordes), 69-114 (Donahue), 143-164 (Fortunati), 183-190 (Padoa Schioppa), 191-206 (Piergiovanni), 207-253 (Shephard), 255-290 (Wijffels).

Part. 2: R. Kraakman et al., *The Anatomy of Corporate Law*, 3<sup>rd</sup> ed., Oxford University Press, 2017, Chapters 1, 2, 5; S. Shavell, *Economic Analysis of Accident Law*, Harvard University Press, 1987, Chapters 8, 9, 10 (mathematical appendixes may be skipped); T.H. Jackson, *The Logic and Limits of Bankruptcy Law*, Harvard University Press, 1986, Introduction and Chapters 1, 6, 8.

