UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Foundations of Business Law

1920-4-A5810235

Learning objectives

The course provides students with basic knowledge and understanding of both the historical and the economic foundations of three essential business law institutions such as corporations, bankruptcy and insurance. These foundations are studied in order to allow students to acquire a critical understanding of current regulations of such institutions across modern legal systems.

Contents

Program for attending students
Introduction
A law fit for trade: historical roots and development of law merchant.
The functions of business law from an economic perspective: the basic analytical tools of law and economics.
Part I: Corporations
How to do business? The different forms of organization among merchants.
The essential role of organizational law; characteristics and functions of the corporate entity.
Part II: Bankruptcy
Merchants in trouble: the consequences of crisis and failure of business undertakings.
The basic dynamics of the relationship between a firm and its creditors; the logic and limits of bankruptcy law.
Part III: Insurance
The historical roots of insurance: the means introduced to guarantee trades and goods against the risks deriving from business activities.
Risk aversion and its implications; the insurance technique; principles underlying the regulation of insurance contracts and firms.
Program for non-attending students:
The same topics, as structured in the assigned readings.

Detailed program

The course focuses on three of the legal pillars of modern economies: corporations, bankruptcy and insurance.
By combining history and economic analysis of law, the course is aimed at exploring the foundations on which these institutions have been built, in order to allow students to acquire a more solid knowledge and a more critical understanding of their current regulation across modern legal systems.
The course begins with an introductory part, aimed at setting the stage for the application of both historical and economic analysis of those topics. Then three parts follow, each one devoted to the study of each legal institution, by going through its historical development, as well as by reflecting on its economic rationales.

Prerequisites

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Teaching methods

Lectures and problem-based discussions; slides; reading of historical sources and documents; interaction by the e-learning website.
The course is taught in English.

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:
Notes and materials published on the e-learning website.

For non-attending students:
Historical texts

- From Lex Mercatoria to Commercial Law, ed. by V. Piergiovanni, Berlin, Duncker & Humblot, 2005 (Comparative studies in continental and Anglo-American legal history 24): pp. 53-67 (Cordes), 143-164 (Fortunati);
- The Courts and the Development of Commercial Law, ed. by V. Piergiovanni, Berlin, Duncker & Humblot, 1987 (Comparative studies in continental and Anglo-American legal history 2): pp. 12-21 (Piergiovanni),

23-38 (Piergiovanni);
- The Company in Law and Practice: Did Size Matter? Middle Ages – Nineteenth Century, ed. by D. De Ruysscher et al., Leiden-Boston, Brill, 2017 (Legal History Library 23), pp. 49-62 (Brunori), 63-83 (Amend-Traut); T. Kuehn, Debt and bankruptcy in Florence. Statutes and cases, in Quaderni storici, 46.2 (2011), pp. 355-390 (also available online at https://www.rivisteweb.it/issn/0301-6307/issue/3430).

Economic analysis texts:

- R. KRAAKMAN ET AL., The Anatomy of Corporate Law, 3rd 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.