UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

SYLLABUS DEL CORSO

Foundations of Business Law

2526-4-A5810235

Learning objectives

By the end of the course, the student is expected to have acquired:

- basic knowledge and understanding of both the historical and the economic foundations of three essential business law institutions such as corporations, bankruptcy, and insurance;
- the ability to apply the acquired concepts to cases and to solving legal issues related to business problems;
- a critical understanding of how such legal institutions are shaped across contemporary legal systems;
- communication skills in presenting and discussing the studied legal topics;
- the ability to learn independently, including through consultation of legal sources, scholarly literature, and case law.

Contents

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 contemporary 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.

Detailed program

Introduction

- The functions of business law from an economic perspective: the basic analytical tools of law and economics.
- History (From Dusk till Dawn) - Historiography (Law Merchant: Deconstructing a Myth).
  Part I: Corporations
- How to Do Business? 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
- Shielding Business: The Historical Roots of Insurance.
- Risk Aversion and its Implications; the Insurance Mechanisms; Principles Underlying the Regulation of Insurance Contracts and Firms.

Prerequisites

None.

Teaching methods

42 academic hours of in-class lectures and problem-based discussions.
Slides, videos, historical sources and documents will be used.
Interaction by the e-learning course page.
The course is taught in English.

Assessment methods

Oral exam: assessment of the students' understaning of the topics addressed during the course, in the materials provided or in the assigned readings.
Evaluation criteria: clarity of expression, understanding and application of concepts, independent judgment, and appropriate use of language.

Textbooks and Reading Materials

Students can choose between two alternative learning paths.

First option
It requires regular attendance and active participation during class discussions.
The exam will cover class contents, slides and materials published on the e-learning website.

Second option
It requires an in-depth study of the following texts

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, *The search for a medieval Lex mercatoria*);
- *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. 11-21 (Piergiovanni, *Courts and Commercial Law at the Beginning of the Modern Age*); pp. 23-38 (Piergiovanni, *The Rise of the Genoese Civil Rota in the XVIth Century: The "Decisiones de Mercatura" Concerning Insurance*);
- *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, *Late Scholasticism and Commercial Partnership: Persons and Capitals in the Sixteenth and Seventeenth Centuries*); pp. 63-83 (Amend-Traut, *Legal Structure of Early Enterprises - from Commenda-like Arrangements to Chartered Joint-Stock Companies (Early Modern Period)*);
- 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);
- *Marine Insurance. Origins and Institutions, 1300-1850*, ed. by A.B. Leonard, Houndmills, Basingstoke Hampshire, Palgrave Macmillan, 2016, pp. 25-46 (Piccinno, *Genoa, 1340-1620: Early Development of Marine Insurance*).

Economic analysis texts

- R. KRAAKMAN ET AL., The Anatomy of Corporate Law, 3rd ed., Oxford University Press, 2017, Chapters 1, 2, 5;
- T.H. JACKSON, The Logic and Limits of Bankruptcy Law, Harvard University Press, 1986, Introduction and Chapters 1, 6, 8;
- D. SCHWARCZ - P. SIEGELMAN, *Law and Economics of Insurance*, in *The Oxford Handbook of Law and Economics: Volume 2: Private and Commercial Law*, edited by F. Parisi, OUP, 2017, pp. 481-508;
- T. BAKER- P. SIEGELMAN, *Behavioral Economics and Insurance Law*, in *The Oxford Handbook of Behavioral Economics and the Law*, edited by E. Zamir and D. Teichman, OUP, 2014, pp. 491-517;
- S.A. REA jr, The Economics of Insurance Law, in 13 *Int'l Rev. Law & Econ.* (1993), pp. 145-162.

Sustainable Development Goals

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