

INSTRUCTOR'S RESOURCE MANUAL

Barbara Cox

THE LAW AND BUSINESS ADMINISTRATION IN CANADA

Fourteen Edition

J.E. Smyth

University of Toronto

D.A. Soberman

Queen's University

A.J. Easson

Queen's University

S.A. McGill

Wilfrid Laurier University

PEARSON

Toronto

Copyright © 2016 Pearson Canada Inc., Toronto, Ontario. All rights reserved. This work is protected by Canadian copyright laws and is provided solely for the use of instructors in teaching their courses and assessing student learning. Dissemination or sale of any part of this work (including on the Internet) will destroy the integrity of the work and is not permitted. The copyright holder grants permission to instructors who have adopted *The Law and Business Administration in Canada*, Fourteenth Edition by Smyth, Soberman, Easson, McGill, to post this material online only if the use of the website is restricted by access codes to students in the instructor's class that is using the textbook and provided the reproduced material bears this copyright notice.

CONTENTS

Introduction

Chapter 1	Law, Society, and Business
Chapter 2	The Machinery of Justice
Chapter 3	Government Regulation of Business
Chapter 4	The Law of Torts
Chapter 5	Professional Liability: The Legal Challenges
Chapter 6	Formation of a Contract: Offer and Acceptance
Chapter 7	Formation of a Contract: Consideration and Intention
Chapter 8	Formation of a Contract: Capacity to Contract and Legality of Object
Chapter 9	Grounds Upon Which a Contract May Be Set Aside: Mistake and Misrepresentation
Chapter 10	Writing and Interpretation
Chapter 11	Privity of Contract and the Assignment of Contractual Rights
Chapter 12	The Discharge of Contracts
Chapter 13	Breach of Contract and Its Remedies
Chapter 14	Sale of Goods and Consumer Contracts
Chapter 15	Bailment and Leasing
Chapter 16	Insurance and Guarantee
Chapter 17	Agency and Franchising
Chapter 18	The Contract of Employment
Chapter 19	Negotiable Instruments
Chapter 20	Intellectual Property
Chapter 21	Interests in Land and Their Transfer
Chapter 22	Landlord and Tenant
Chapter 23	Mortgages of Land and Real Estate Transactions
Chapter 24	Sole Proprietorships and Partnerships
Chapter 25	The Nature of a Corporation and Its Formation
Chapter 26	Corporate Governance: The Internal Affairs of Corporations
Chapter 27	Corporate Governance: External Responsibilities
Chapter 28	Secured Transactions
Chapter 29	Creditors' Rights
Chapter 30	International Business Transactions
Chapter 31	Electronic Commerce
Chapter 32	Privacy

Introduction

The changes to this fourteenth edition of *The Law and Business Administration in Canada* are largely organizational. This new edition has combined Chapters 9 and 10 of the thirteenth edition into Chapter 10; the other major change was a reorganization of Chapter 3, moving the discussion on Government Regulation of Business from Chapter 30, to become Chapter 3.

Updates in the law have been set out in the Preface, under “Summary of Changes to This Edition.” Here you will find details of any significant changes to the law that are discussed in the fourteenth edition.

There is reduced content in Chapter 14 on the Sale of Goods Act, and in Chapter 19 on Negotiable Instruments. There is a new ongoing business application case in the EOC material for every chapter from Chapter 2 onwards and video links have been added to most chapters.

For business students the most practical and useful addition has been the section in each Chapter on Strategies to Manage the Legal Risks. These are quick useful summaries that students can refer to for each section of the course to help determine an appropriate Legal Risk Management Plan (as described in Chapter 1).

Applications of the Text

The 14e remains a comprehensive description of the most important business law principles and is most appropriate for a doctrinal survey course in business law. However, the changes made to the 13e allow instructors to easily adapt the Smyth text to other types of courses such as:

- Legal environment courses,
- Law and ethics courses,
- Selected legal topic electives.

Role of the Instructor’s Manual 14th Edition

The manual fills two roles:

(1) *a resource book for the material in the text*

- it provides further explanation of text content, case summaries and answers to questions, problems and cases;
- it also provides supplemental material for background and currency by referring the instructor to additional cases, articles and web material not referenced in the text (some cases were decided since the text went to press, others offer depth beyond that of the text).

(2) *a teaching aid*

- it recommends strategies to teach particular material;
- it provides a consistent template to deal with ethical theme boxes;

- it assists the instructor in adapting the text to a variety of legal courses.

Form and Content of the Manual

Naturally substantive changes to the manual mirror the changes made to the text. The format of the manual is familiar and largely unchanged from previous editions. Each chapter contains general commentary under headings corresponding to the headings within the text chapter, suggested approaches and question answers are provided for each of the issue boxes (ethical, international, and contemporary where appropriate), there are answers to questions, problems and cases and finally case summaries.

General Commentary: This section is not merely a summary of what is explained in the text book. The commentary identifies the complexity of key issues from the text and identifies strategies to teach them (teaching aid component). This is also where instructors will find referral to other resources, examples, and additional cases.

Ethical Issue: A consistent approach to the ethical content is important to the students and for the purposes of demonstrating embedded ethical content during program accreditation (for example AACSB). Therefore, the commentary under Law and Business Ethics in Chapter 1 of the manual describes 6 key values to be used as the template for discussion of each of the ethical issues in subsequent chapters. It is recommended that instructors review the commentary in Chapter 1 even if this chapter is not assigned reading for students. In each subsequent chapter, the manual identifies (in bold font) the relevant ethical values presented in the issues box.

International Issue: These boxes take two different forms. One type involves a factual situation that crosses a jurisdictional boarder and students consider the conflict of laws scenario to determine which laws should be applicable. The other type involves comparing the law from two jurisdictions to evaluate the different strategic approaches taken. Most often the foreign jurisdiction is the United States as this is still Canada's major trading partner. For the first type, the manual provides contextual background to the fact situation. For the second type, the manual may provide additional information on the law of the foreign jurisdictions. In both cases, the manual answers the questions posed and identifies key points that should be elicited during class discussion.

Contemporary Issue: Most of these boxes were removed in favour of ethical and international boxes. However in a very few chapters they are retained to deal with an especially important topic (for example Chapter 27 – One Federal Securities Regulator) or because no ethical or international issues box was applicable. For example, Chapter 30 is an entire chapter on International Business Transactions. It seemed redundant to place an international issues box here so a contemporary issues box was retained. Similarly in Chapter 1 there is a section on Law and Business Ethics, so an ethical issues box was rejected in favour of a contemporary issues box.

Answers to Questions, Problems and Cases: The questions require students to describe a particular legal rule or principle and therefore the answer includes a specific page reference to the description of that rule in the text. Problems and Cases require students to apply legal principles to fact situations and therefore specific page references are less relevant. Instead, instructors are referred to the case that inspired the question (where applicable).

Case Summaries: The case summaries provide a brief description of the cases referred to in the footnotes of the text. Major cases that are described in detail in the text are not repeated in the manual. If the case has already been summarized in a previous chapter, the instructor will be referred to that chapter.

Possible Configurations for Other Course Types

Legal environment courses tend to emphasize the processes and resources involved in the legal system as well as the underlying policy considerations behind various legal principles (in combination with some substantive legal content). Law and Ethics courses examine both standards of behavior. The issue boxes in the 13th edition compliment both of these types of courses. By approaching the chapter from the perspective of the theme boxes the instructor can change the emphasis of the book to meet the course goals.

Lawyers have always recognized the huge overlap between law and business, but business schools are only now beginning to combine business and legal education. Many schools offer additional electives in law beyond the core compulsory course. There is a void of text material for specific electives at the business school level. Therefore, instructors teach from custom course packages. In the Smyth text, each chapter stands largely independent of previous chapters and the text need not be read from cover to cover or in sequence. This makes it ideal for customized applications. Students could start with a base of 4 or 5 chapters and thereafter be referred to specific cases and articles. Instructors may find the additional resources referred to in the general commentary of the manual appropriate to round out the course package.