City University of Hong Kong

Information on a Course
offered by School of Law
with effect from Semester A in 2012/2013

Part I

Course Title: Commercial Law
Course Code: LW4658
Course Duration: One semester
No. of Credit Units: 3
Level: B4

Prerequisites: (Course Code and Title)

1. LW2600 Legal Method or LW2600A&B Legal Method A&B or LW2600 Legal Research and Writing & LW3666 Comparative Legal Research and Writing and
2. LW2602 Law of Contract or LW2602A Law of Contract I and LW2602B Law of Contract II. (for all LLB and BBA students); and
3. Non-law students must have completed LW2903 Business and Law; or LW2905 Introduction to Legal System, Contract & Tort; or LW4927 Law for Business Studies.

Precursors: Nil

Equivalent Courses: LW4119 Sales and Sales Finance in Hong Kong (from the old curriculum)
LW4119A Sales and Sales Finance in Hong Kong (AMLLB) (from the old curriculum)
LW4619 Sales and Sales Finance in Hong Kong

Exclusive Courses: Nil

Part II

1. Course Aims:

This course aims to equip students with a sound general knowledge and conceptual understanding of aspects of commercial law. The course aims to develop in students the related practical legal skills in order to facilitate the ability to apply the commercial law legal principles in order to generate effective solutions to real-life problems.
This course examines various aspects of commercial law and the application of legal principles and precedent in personal property, contracts, equity, consumer law, and other substantive areas of law in the context of commercial and business transactions. The course also covers issues in credit and security in business, consumer finance and provides an introduction to negotiable instruments, personal bankruptcy and corporate insolvency.

Students are encouraged to develop and use critical thinking skills to assess ideas and its applicability to professional practice, both in terms of substantive legal knowledge and policy as related to commercial law topics. Furthermore, students will be required to conduct research, synthesize knowledge, apply law to solve issues, and present and debate their findings in moot-style presentations by representing a fictitious client in the role of lawyer for plaintiff and defendant. In addition, students will use research skills to analyse current issues in commercial law and present their analysis and knowledge clearly and appropriately in a number of different contexts including, in particular, by writing a detailed essay that allows for creative problem-solving and developing answers to real-life commercial law issues using appropriate English language skills and relevant legal citation styles.

2. Course Intended Learning Outcomes (CILOs)

*Upon successful completion of this course, students should be able to:*

<table>
<thead>
<tr>
<th>No.</th>
<th>CILOs</th>
<th>Weighting (if applicable)</th>
<th>Number(s) of PILOs Contributed to</th>
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<tbody>
<tr>
<td>1.</td>
<td>Analytically and evaluatively describe and explain the basic principles of different areas of law which impinge on commercial transactions.</td>
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<td>1</td>
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| 2.  | Apply these principles of commercial law to solve legal problems in a moot-style setting by:  
- analysing cases  
- interpreting statutes  
- conducting independent research on the law  
- developing and debating legal arguments clearly, logically, coherently and effectively, both orally and in written submissions. |  | 1, 4, 5 |
| 3.  | Research, analyse and critically evaluate:  
- legal principles and doctrines in commercial law in light of both doctrinal coherence and in relation to the policy objectives of the law  
- commercial law articles, legislation, and case law and demonstrate the ability to synthesize and analyse relevant articles through a well-articulated and researched essay. |  | 4 |
3. Teaching and learning Activities (TLAs)
(designed to facilitate students’ achievement of the CILOs)

<table>
<thead>
<tr>
<th>ILO No</th>
<th>TLAs</th>
<th>Hours/week (if applicable)</th>
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| CILO 1 | Interactive Seminars:  
- Students will receive guidance on their reading and research through multimedia or other presentations.  
- Students will have an opportunity to participate in interactive question/answer sessions that allow them to demonstrate their understanding of their readings and lecture materials.  
Reading of cases, statutes and other material, and research:  
- Students will acquire knowledge of the substantive rules of commercial law.  
Small group / interactive sessions:  
- Students’ understanding will be enhanced by seeing the operation of the law in case studies, and through group discussions.  
- Students will have an opportunity to interact and participate in solving commercial law problem questions. | |
| CILO 2 | Small group / interactive sessions:  
- Students will analyse cases, interpret statutes, and may need to research issues of commercial law.  
- Students will apply relevant legal analysis to case study situations, thereby developing issue recognition, problem solving and application skills.  
- Students will present arguments orally and through written submissions in a moot-style setting where they will represent a fictitious client and act as lawyer for the client. | |
| CILO 3 | Interactive Seminars:  
- Students will be introduced to issues and concerns and aspects of the operation of the substantive rules of commercial law through multimedia or other presentations.  
Reading of cases, statutes and other material, and research:  
- Students will learn and evaluate conceptual and policy issues in commercial law.  
Small group / interactive sessions:  
- Students will scrutinise, analyse and evaluate issues and concerns in the field of commercial law through group discussions.  
- Students will have the opportunity to write research and write independent research essay that addresses the social and practical applications of commercial law principles and precedents to real-life problems. | |

4. Assessment Tasks/Activities
(designed to assess how well the students achieve the CILOs)

<table>
<thead>
<tr>
<th>AT No</th>
<th>Type of Assessment Task</th>
<th>Weighting</th>
<th>CILO Assessed</th>
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<tbody>
<tr>
<td>AT 1</td>
<td>Participation (assignments, tutorials, in class question and answer)</td>
<td>20%</td>
<td>1, 2</td>
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<tr>
<td>AT 2</td>
<td>Coursework</td>
<td>30%</td>
<td>1, 3</td>
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<tr>
<td>AT 3</td>
<td>End of Semester Examination (2 hour open book examination)</td>
<td>50%</td>
<td>1, 2</td>
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AT1 – Participation:
Participation is 20% of your final grade. Attendance is an important element of this course and allows students to participate and further develop their commercial law knowledge and skills. Participation includes any and all in-class activities including, but not limited to, class participation exercises, group presentations, and active question and answer opportunities in lecture and tutorial. Participation during classes, in tutorials, in small group sessions, and in large group sessions, where appropriate, enables students to actively develop the CILO skills. Participation also allows instructors and course examiners to evaluate a student’s response to materials covered in the course. *Meaningful* participation is encouraged and will count towards a student’s A1 assessment task in this course.

AT2 – Coursework:
Coursework is 30% of your final grade. The mid-semester coursework assignment is designed to demonstrate your understanding of commercial law theory, principles, precedents, and case law prior to the final examination. The coursework assignment will be discussed and distributed as instructed by the Course Leader.

Failure to submit coursework on time will result in students being awarded a FAIL grade or a significant reduction in marks for the coursework, as advised by the course leader.

AT 3 – End of Semester Examination
The remaining 50% of assessment is in the form of an end of semester examination during the normal examination period for the semester. The end of semester examination will be a 2-hour, open-book examination. The examination will test your knowledge and understanding of the commercial law principles, legal concepts, commercial law precedents in the form of ordinances and case law as well as your ability to apply these to analysing and solving sample problems.

5. Grading of Student Achievement: Standard (A+ A A- … F)
Grading of student achievement is based on a standard grading scheme as outlined in City University of Hong Kong’s *University Assessment Policy and Principles for Taught Programmes*. Grading is based on student performance in assessment tasks / activities. The assessment strategy is designed to provide sufficient opportunities for students to demonstrate a variety of learning outcomes. Details of the coursework will be circulated in class at different times in the semester.

NOTE: To pass this LLB course, students must obtain a minimum of 30% in each of the above assessment tasks and an aggregate mark of 40% across the entire course.

Part III
Keyword Syllabus:
Personal property; legal and equitable ownership; sale of goods contracts; Sale of Goods Ordinance (Cap 26); rights and obligations in relation to delivery and non-delivery of goods in a sale of goods contract; the *nemo dat* rule; exceptions to *nemo dat*; hire-purchase agreements; bailment; negotiable instruments; credit and security.
Detailed Course Syllabus:
The course syllabus contains, but is not limited to, the following topics. The order of the topics is presented in the programme outline.

- Characteristics of personal property/Relevance to Commercial Law
  - ownership and possession distinguished
  - legal and equitable ownership; mere equities; finders/keepers law
  - varieties of personal property: chattels and intangibles, choses in possession and choses in action
- Commercial dealings in personal property
  - bailment; nature of bailment; rights and duties
  - alienation of choses in possession; sale, gift, deed
  - gifts; conditional gifts; gifts of future property
  - legal assignments and equitable assignments
  - nemo dat rule and exceptions to nemo dat
- Contracts for the sale of goods
  - the scope and impact of the Sale of Goods Ordinance
  - the principal obligations of the seller and buyer, including implied terms and conditions
  - delivery, acceptance, and rejection of goods
  - transfer of property and risk
  - resolution of rival claims to ownership
  - remedies of seller and buyer.
- Other contracts for the supply or use of goods and services: barter; hire-purchase; simple hire and leasing
- Credit and security
  - nature and forms of credit
  - securing credit: forms of security (arising from agreement or operation of law) – pledges, liens, mortgages, charges
  - priority of fixed and floating charges
  - the creation, enforcement and transfer of security rights
  - effectiveness of security against third parties: perfection and priority questions
  - reservation of title clauses
  - particular forms of business finance: hire purchase; guarantees; floating charges;
- Bills of exchange and other negotiable instruments
- Banking and customer relationship
- Introduction to bankruptcy and insolvency
- Doctrine of relation back and fraudulent preference
- Consumer Protection and Consumer Credit
  - Functions of Consumer Protection Council
  - Moneylender’s Ordinance
  - Unconscionable Contracts Ordinance
  - Supply of Services (Implied Terms) Ordinance
  - Control of Exemption Clauses Ordinance
  - Protection of Vulnerable Consumers: Misrepresentation, Undue Influence, Duress
Recommended Reading:

The required or recommended texts for the course will be discussed by the Course Leader and indicated in the Course Manual. Below are some of the commercial law texts, ordinances, and online sources which may be during the course.

Text(s):
- Roy Goode, *Commercial Law* (Penguin)
- P S Atiyah, *Atiya’s Sale of Goods* (Longman/Pearson)
- Sihombing, Goods: Sales and Security (HKU Press)

Ordinance(s):
- Bills of Exchange Ordinance (Cap.19)
- Sale of Goods Ordinance (Cap. 26)
- Unconscionable Contracts Ordinance (Cap.458)
- Control of Exemption Clauses Ordinance (Cap.71)
- Banking Ordinance (Cap. 155)
- Money Lenders Ordinance (Cap.163)
- Supply of Services (Implied Terms) Ordinance (Cap.457)
- Bills of Sale Ordinance (Cap.20)
- Law Amendment and Reform (Consolidation) Ordinance (Cap.23)

Online Resources:
- Hong Kong Legal Information Institute: [www.hklii.org](http://www.hklii.org)
- Reference should also be made to websites, e.g. law reports and to obtain update knowledge and the developments of the law
  - BLIS (Bilingual Laws Information System)
  - Westlaw and Lexis-Nexis
  - Annotated Hong Kong Ordinances (LexisNexis)
  - The Law Library Electronic Databases including Index to Legal Periodicals and Index to Foreign Legal Periodicals, Latest Judgment Alert, Hong Kong Premium Service, Hansard U.K.