

**LEX 150  
COMMERCIAL LAW**

**COURSE DESCRIPTION:**

Prerequisites: None

Corequisites: None

This course covers legally enforceable agreements, forms of organization, and selected portions of the Uniform Commercial Code. Topics include drafting and enforcement of contracts, leases, and related documents as well as selection and implementation of business organization forms, sales, and commercial papers. Upon completion, students should be able to apply the elements of a contract, prepare various business documents, and understand the role of commercial paper. Course Hours Per Week: Class, 2. Lab, 2. Semester Hours Credit, 3.

**COURSE OBJECTIVES:**

Upon completion of this course, the student should be able to:

- a. Identify the elements of a valid contract
- b. Identify types of contracts which must be in writing
- c. Identify defenses to the enforcement of a contract
- d. Identify levels of contractual performance and breach
- e. Identify remedies applicable to breach of contract cases
- f. Interview clients and prepare drafts of contracts
- g. Assist attorneys in preparation of contracts cases for trial

**OUTLINE OF INSTRUCTION:**

- I. Contracts
  - A. Classification of contracts
    - 1) As to formation
      - (a.) Bilateral or unilateral
      - (b.) Express, implied, or quasi-contract
      - (c.) Formal or informal
    - 2) As to performance
      - (a.) Executed or executory
    - 3) As to enforceability
      - (a.) Valid, void, or voidable
  - B. Elements of a valid contract
    - 1) Agreement
      - (a.) Offer
      - (b.) Acceptance
    - 2) Consideration
      - (a.) Legal value
      - (b.) Bargained-for exchange
    - 3) Capacity
      - (a.) Minors

- (b.) Mentally incompetent persons
  - (c.) Intoxicated persons
- 4) Legality
  - (a.) Contracts contrary to statute
  - (b.) Contracts contrary to public policy
- C. Defenses to enforcement
  - 1) Genuineness of assent
    - (a.) Mistakes
    - (b.) Misrepresentation
    - (c.) Duress
    - (d.) Undue influence
  - 2) Writing and form
    - (a.) Types of contracts
      - (1) Contracts involving interests in land
      - (2) One-year rule
      - (3) Collateral promises
      - (4) Agents' contracts
      - (5) Contracts for the sale of goods
    - (b.) Sufficiency of rule
    - (c.) Parol evidence rule
- D. Third-party rights
  - 1) Assignment of benefits
  - 2) Delegation of duties
  - 3) Third-party beneficiaries
    - (a.) Intended
    - (b.) Incidental
- E. Discharge of contractual obligations
  - 1) By performance
  - 2) By agreement
  - 3) By excuse
  - 4) By operation of law
- F. Levels of performance
  - 1) Complete
  - 2) Substantial (minor breach)
  - 3) Inferior (material breach)
- G. Remedies
  - 1) At law
    - (a.) Compensatory damages
    - (b.) Consequential damages
    - (c.) Liquidated damages
    - (d.) Nominal damages
  - 2) Equitable remedies
    - (a.) Specific performance
    - (b.) Reformation
    - (c.) Quasi-contract
    - (d.) Injunction
- H. Torts associated with contracts
  - 1) Intentional interference with contractual relations
  - 2) Breach of implied covenant of good faith and fair dealing

- II. Sales and lease contracts
  - A. Formation
  - B. Title, risk, and insurable interest
  - C. Obligations
    - 1) Seller/lessor
    - 2) Buyer/lessee
  - D. Remedies
  - E. Warranties
    - 1) Titles
    - 2) Quality
    - 3) Fitness for human consumption
    - 4) Fitness for particular purpose
    - 5) Course of dealing or usage of trade
    - 6) Magnuson-Moss Warranty Act
  
- III. Negotiable instruments
  - A. Types
    - 1) Drafts
    - 2) Checks
    - 3) Promissory notes
    - 4) Certificates of deposit
  - B. Creation
  - C. Transfer
    - 1) By assignment
    - 2) By negotiation
    - 3) Endorsements
  - D. Holder in due course
    - 1) Liability
    - 2) Defenses
  - E. Checks and the banking system

**REQUIRED TEXTBOOK:**

To be determined

**STATEMENT FOR STUDENTS WITH DISABILITIES:**

Students who require academic accommodations due to any physical, psychological, or learning disability are encouraged to request assistance from a disability services counselor within the first two weeks of class. Likewise, students who potentially require emergency medical attention due to any chronic health condition are encouraged to disclose this information to a disability services counselor within the first two weeks of class. Counselors can be contacted by calling 686-3652 or by visiting the Student Development Office in the Phail Wynn Jr. Student Services Center, room 1309.