

BUSINESS, FINANCE & ECONOMICS

A PRIMER FOR LAW STUDENTS

SPRING 2002

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Business, Finance & Economics was designed to provide all students who are interested in the subject of business and corporate law a foundation that will enable them to understand the underlying economic, financial and business dynamics that affect business law, lawyers and their clients.

Mr. Bernard Hyman, '97, who took this course in its inaugural offering has assisted in revising the Stock Market Game and Accounting materials.

I also wish to thank my research assistants, Mr. Arthur P. Licygiewicz, '97, Mr. Darren M. Sharlach, '96 and Mr. Craig Opp, '98, for their help in the preparation of the materials. Gratitude is expressed to Dean Daan Braveman and the Syracuse University College of Law for an instructional grant for the summer of 1996 that enabled me to prepare the first edition of these materials.

The texts for this course are:

Morris & Siegel, *The Wall Street Journal Guide to Understanding Money and Investing* (1999) (WSG in the syllabus)

Hamilton, *Money Management for Lawyers and Clients* (1993) (MM in the syllabus)

Merrill Lynch, *How to Read a Financial Report* (1997) (Merrill Lynch will supply)

Heilbroner & Thurow, *Economics Explained* (1998) (*Economics* in the syllabus)

Friedman, *Capitalism and Freedom* (1962) (*Capitalism* in the syllabus)

The Wall Street Journal (At least one member of each Club must subscribe to *The Journal* in order to competently play the Stock Market Game. That having been said, I highly commend *The Journal* to all. Student subscription prices apply.)

and materials that will be handed out or purchased as supplements.

Students with disabilities: If you have a disability that may affect your performance in this class, please see Margery Connor, Associate Dean for Student Affairs, Room 425 as soon as possible, to discuss necessary accommodations.

Final Examination: Tuesday, May 14, 2002 from 9:00 a.m.—1:00 p.m. It will be a four-hour, closed-book exam similar in style and content to that found on the Web at www.law.syr.edu/faculty/day/exams/.

Section I. Basic Investing and Economics

INVESTING & ACCOUNTING

Introduction.

Assignment 1: Stock Market Game Handout,
Hyman Handout on Bubble Sheet and Accounting
Call Stock Broker and Order Prospectus
(to be used in Assignment 9)

BASIC ACCOUNTING

Assignment 2: Hamilton, *Fundamentals of Business*, 149-161 (Handout)

Assignment 3: *Fundamentals of Business*, 163-191 (Handout)

INVESTING

Assignment 4: *WSG* 4-33, *MM* 300-21

Assignment 4A: *WSG* 34-51, *MM* 322-341

Assignment 5: *WSG* 52-59, *MM* 341-356

Assignment 6: *WSG* 82-103, *MM* 389-420

Assignment 7: *WSG* 104-123, *MM* 357-373

Assignment 8: Merrill Lynch, *How to Read an Annual Report*

Assignment 9: Review Prospectus and Bring Investment Recommendation.
The Plain Dealer, *How to Read a Prospectus*
Securities Exchange Commission, *Invest Wisely*

BASIC ECONOMICS

Assignment 10: *Economics* 7-68.

Assignment 11: *Economics* 69-139.

Assignment 12: *Economics* 143-174.

Assignment 13: *Economics* 177-228.

Assignment 14: *Capitalism*, Preface, Introduction, Ch. 1--3, 5.

Assignment 15: *Capitalism*, Ch. 7, 8, 10--12.

Assignment 16: *Binary Economics*, Professor Ashford

Section II. Taxation

BASIC TAXATION

Assignment 17: *MM* 463-486

Assignment 18: *MM* 486-506

Assignment 19: Corporate Taxation, *Fundamentals of Business* 294-298

Assignment 20: Flat Tax

The Tax Code Heads..., *NYTimes Article*, Sept 3, 1995

For Business, the Stakes..., *NYTimes Article*, Sept. 3, 1995

Alternative Tax System Proposals, June 1995

Suggested Reading: Armev, *The Flat Tax* (1996)

Section III. Business Investments

BUYING A BUSINESS

Assignment 21: *Business Basics for Law Students*, 193-224

Assignment 22: Bond, *A Practical Guide to Developing Your Business Plan*
Businessowners Insurance CPCU 149-169

Assignment 23: The Issue of Risk Management, *The Buyer's Guide...*, 15-20
Commercial General Liability Insurance, CPCU 119-125
Property Loss Exposures, CPCU 8-17

Section IV.

INVESTMENTS REVISITED

Assignment 24: Annuities and Retirement, *MM* 191-214

Assignment 25: Annuities and Retirement Cont'd., *MM* 214-238

Assignment 26: Investment Strategy, *MM* 287-298
Investment Companies, *MM* 357-373

Assignment 27: Fixed Income Securities, *MM* 375-399

Assignment 28: Fixed Income Securities, Cont'd., *MM* 399-420

Assignment 29: Preferred Shares, *MM* 421-434

Assignment 30: Options, WSG 123-149, *MM* 435-459

Final Investment Club Reports Due

Students must submit a report explaining how they developed their strategies and the results of their investment.