

Business Fundamentals for Law Students

Business Fundamentals *for* Law Students

Concepts, Problem Sets, and Case Studies

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Contents

Introduction	ix
One · Overview of the Business Structure	3
A. Why Should I Care?	3
1. Business Fundamentals in Family Law	3
2. Business Fundamentals in Personal Injury Law	3
3. Business Fundamentals for the Solo Practitioner	4
4. Business Fundamentals in Intellectual Property Litigation	4
B. Corporations Overview	5
C. Creating the Corporation	6
D. Corporate Purpose	6
E. Corporation Management	8
Case Study 1.1—Facebook Shareholders Seek Better Oversight	9
F. Why Financial Statements?	17
1. Financial Accounting Foundation and Generally Accepted Accounting Principles	18
2. Financial Statement Publication Intervals	20
G. Financial Statements Overview	20
Chapter 1 Highlights	23
Two · Balance Sheet	25
A. Balance Sheet Overview	26
B. Sections of the Balance Sheet	28
1. Assets	28
a. Current Assets	29
b. Non-Current Assets	31
C. Chapter 2 Balance Sheet Exercises and Case Studies	34
Exercise 2.1—Accumulated Depreciation	34
Case Study 2.2—Apple’s Acquisition of Beats and Resultant Goodwill	35
Questions for Case Study 2.2	36
D. Sections of the Balance Sheet cont’d	36
1. Liabilities	36
a. Current Liabilities	38
b. Non-Current Liabilities	39
2. Shareholder’s Equity	39
a. Common Stock and Preferred Stock	40

b. Retained Earnings	40
c. Authorized, Issued, Outstanding Shares, and Treasury Stock	41
E. Review of Major Accounts on the Balance Sheet	42
F. Chapter 2 Balance Sheet Exercises and Case Studies cont'd	43
Exercise 2.3—Balance Sheet Analysis	44
Case Study 2.4—Marlie Farms	45
Questions for Case Study 2.4—Marlie Farms	50
<i>Whiskey Barrel Planters Co. v. American Gardenworks, Inc.</i>	51
Exercise 2.5—Whiskey Planters	55
Chapter 2 Highlights	55
Three · Income Statement	57
A. Income Statement Overview	58
1. Revenue, Cost of Goods Sold, and Gross Profit	60
2. Expenses	62
B. Capitalizing Costs	63
C. Income Statement Interpretation	65
1. Profitability	65
2. Net Profit Is Not Net Cash	65
D. Chapter 3 Income Statement Exercises and Case Studies	66
Exercise 3.1—Main St. Corp	66
Case Study 3.2—WorldCom, Inc.	67
Questions for Case Study 3.2—WorldCom	70
Questions for Case Study 3.2 cont'd—WorldCom	72
Case Study 3.3—WorldCom Insider's View	75
Chapter 3 Highlights	77
Four · Cash Flow Statement	79
A. Income Statement vs. Cash Flow Statement	80
B. Cash Flow Statement Overview	80
C. Chapter 4 Cash Flow Statement Exercises and Case Studies	84
Exercise 4.1—Cash Flow Statement Review	84
Case Study 4.2—Carl Icahn Open Letter to Apple Shareholders	84
Questions for Case Study 4.2 for Class Discussion	87
Chapter 4 Highlights	88
Five · Financial Statement Analysis	89
A. Financial Statement Analysis	90
1. Ratio Analysis	90
Table of Financial Ratios	91

2. Trends	93
B. Chapter 5 Financial Statement Analysis Exercises and Case Studies	93
Exercise 5.1—Financial Statement Analysis	93
C. Financial Statement Footnotes	96
Chapter 5 Highlights	96
Six · Time Value of Money	99
A. Time Value of Money and Inflation	100
1. Inflation	100
2. Time Value of Money	101
B. Annuity	105
C. Time Value of Money in Law Practice	106
D. Chapter 6 Time Value of Money Exercises and Case Studies	107
Case Study 6.1—Time Value of Money	107
Questions for Case Study 6.1	108
Continuation of Questions for Case Study 6.1	109
<i>Jones & Laughlin Steel Corp. v. Pfeifer</i>	112
Chapter 6 Highlights	118
Seven · Capital	119
A. Capital Overview	120
B. Accessing Capital	120
1. Accessing Capital Internally	122
2. Accessing Capital Externally	123
Chapter 7 Highlights	126
Eight · Debt Analysis	127
A. What Is Debt?	128
1. Execution	130
2. Performance	130
3. Breach	130
4. Cure	130
5. Remedies	131
B. Types of Debt	131
C. Unsecured Debt and Secured Debt	136
1. Unsecured Debt	136
2. Secured Debt	136
3. Lien Priority	137
D. Bond Redemption vs. Prepayment	139
E. Chapter 8 Debt Analysis Exercises and Case Studies	139

Exercise 8.1—Widget Shoes Bond Prospectus	139
Questions for Exercise 8.1—Widget Shoes Bond Prospectus	141
Chapter 8 Highlights	142
Nine · Equity Analysis	143
A. What Is Equity?	144
B. Preferred Stock and Common Stock	148
1. Dividends	148
2. Liquidation	149
3. Voting	149
C. Chapter 9 Equity Analysis Exercises and Case Studies	149
Exercise 9.1—Preferred Stock vs. Common Stock	149
Case Study 9.2—Lawyer’s Role in Equity Transactions	151
D. Equity Investment Payoff	153
1. Dividends	154
2. Equity Appreciation	154
3. Liquidation of Company	155
E. Chapter 9 Equity Analysis Exercises and Case Studies cont’d	155
Exercise 9.3—Equity Analysis	155
Exercise 9.4—Widget Shoes Equity Prospectus	155
Questions for Exercise 9.4—Widget Shoes Equity Prospectus	157
Chapter 9 Highlights	157
Ten · Capital Markets and Valuation	159
A. Risk vs. Return	161
1. Risk-Free Investments in American Finance	163
B. Cost of Capital	163
1. Cost of Debt	163
2. Debt Valuation	164
C. Cost of Equity	167
1. Corporation’s Perspective	168
2. Investor’s Perspective	168
3. Equity Valuation	169
Chapter 10 Highlights	169
Appendix One · Definitions	171
Appendix Two · List of Major Financial Statement Accounts	177
Index	179

Introduction

This book is designed to assist law students, particularly those planning to practice business law, learning the basics of business. In addition to narrative explanations of business concepts, unlike most other books on this subject, this book also will provide case studies and problem sets to enable law students to experientially learn how to identify legal issues from analyzing business issues to analyzing financial statements. In this book, we will use a fictional company, Widget Shoes, as an evolving example to help explore the concepts covered.

Accountants, not lawyers, create financial statements, so it is important to understand that the purpose of this book is not to teach the law student how to draft financial statements. Instead, the purpose is to help the law student develop a sufficient understanding of business concepts to be able to function as an attorney in a business environment, whether in business law or in litigation.

After teaching Business Fundamentals for Law Students and Accounting for Lawyers for several years, I find many law students who are new to business concepts struggle with these concepts as it is often akin to a foreign language. For law students new to business concepts, a book such as this that focuses on fundamentals is a more effective teaching tool than one covering the more complex and theoretical business concepts that most business lawyers will never use.

Ideally in a Business Fundamentals for Law Students course, students should finish the course with an ability to read and analyze the four main financial statements, understand time value of money, understand the business perspective of debt and equity and their roles in the financial markets, and have the ability to use those tools to identify legal risks and means of mitigating those risks on behalf of their clients. While this skill is useful to all law students and lawyers, it is particularly vital to future business lawyers.

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I am my ancestors' wildest dreams.

- To my ancestral family, on whose shoulders and in whose shadows I stand, I honor and thank you.
- To my parents whose love continues to inspire me.
- To my big sister who has always given me the space to shine.
- To my darling husband, I thank you for loving the me that I love.