Analyzing Case Problems

In addition to learning how to brief cases, students of business law also find it helpful to know how to analyze case problems. Part of the study of business law involves analyzing case problems, such as those included in your textbook at the end of each chapter.

For each case problem in this book, the authors provide the relevant background and facts of the lawsuit and the issue before the court. When you are assigned one of these problems, your job will most likely be to determine how the court should decide the issue, and why. In other words, you will need to engage in legal analysis and reasoning.

We begin by presenting a sample problem:

While Tiger Woods, a famous golfer, was shopping in Value Market, he slipped and fell on a wet floor in one of the aisles. The floor had recently been mopped by one of the store’s employees, but there were no signs warning customers that the floor in that area was wet. As a result of the fall, Woods injured his right arm and was unable to play golf for the next three months. Had he been able to play in the scheduled tournaments, he would have earned approximately $600,000 over that period of time. Woods sued Value Market for this amount, plus another $10,000 in medical expenses. Woods claimed that Value Market’s failure to warn customers of the wet floor constituted negligence and therefore the market was liable for his injuries. Will the court agree with Woods? Discuss.

Understand the Facts

Before you can analyze or apply the relevant law to a specific set of facts, you must clearly understand those facts. Therefore, you must read through the case problem carefully—more than once, if necessary—to make sure you understand the identity of the plaintiff(s) and defendant(s) in the case and the progression of events that led to the lawsuit.

In the sample problem above, the identity of the parties is fairly obvious. Tiger Woods is the one bringing the suit; therefore, he is the plaintiff. Value Market, against whom he is bringing the suit, is the defendant. Some of the case problems you may work on have multiple plaintiffs or defendants. Often, it is helpful to use abbreviations for the parties. To indicate a reference to a plaintiff, for example, the pi symbol (π) is often used, and a defendant is denoted by a delta symbol (∆).

The events leading to the lawsuit are also fairly straightforward. Woods slipped and fell on a wet floor, and he contends that Value Market should be liable for his injuries because Value Market was negligent in not posting a sign warning customers of the wet floor.

When you are working on case problems, the facts should be accepted as they are given. For example, in our sample case problem above, it should be accepted that the floor was wet and that there was no sign.

Legal Analysis and Reasoning

Once you understand the facts given in the case problem, begin analyzing the case. The IRAC method is a helpful tool to use in the legal analysis and reasoning process. IRAC is an acronym for Issue, Rule, Application, Conclusion. Applying this method to the sample problem above would involve the following steps:
1 First, you need to decide what legal issue is involved in the case.

In our sample case above, the basic issue is whether Value Market’s failure to warn customers of the wet floor constituted negligence. (As discussed in Chapter 7, negligence is a tort—a civil wrong. In a tort lawsuit, the plaintiff seeks to be compensated for another’s wrongful act. A defendant will be deemed negligent if he or he breached a duty of care owed to the plaintiff and the breach of that duty caused the plaintiff to suffer harm).

2 Once you have identified the issue, the next step is to determine what rule of law applies to the issue.

To determine the applicable rule of law, you will want to review carefully the text of the chapter in which the relevant rule of law for the problem appears. Our sample case problem involves the tort of negligence, which is covered in Chapter 7. The applicable rule of law is the tort law principle that business owners owe a duty to exercise reasonable care to protect their customers (business invitees). Reasonable care, in this context, includes either eliminating—or warning customers of—foreseeable risks about which the owner knew or should have known. If a business owner breaches this duty of care (fails to exercise the appropriate degree of care toward customers), and the breach of duty causes a customer to be injured, the business owner will be liable to the customer for the customer’s injuries. (Note that the applicable rule of law is stated as a general principle and not specific to the facts given in the case problem).

3 The next—and usually the most difficult—step in analyzing case problems is the application of the relevant rule of law to the specific facts of the case you are studying.

Applying the rule of law just discussed should be fairly straightforward. An employee of the store had mopped the floor in the aisle where Woods slipped and fell, but no sign was present indicating that the floor was wet. That a customer might fall on a wet floor is clearly a foreseeable risk. Therefore, the failure to warn customers about the wet floor was a breach of the duty of care owed by the business owner to the store’s customers.

4 Once you have completed Step 3 in the IRAC method, you should be ready to draw your conclusion.

Your conclusion for the sample case problem above should be clear: Value Market is liable to Woods for his injuries because Value Market’s breach of its duty of care caused Woods’s injuries.

The fact patterns in the case problems presented in your textbook are not always as simple as those presented in our sample problem. A case may also involve more than one issue and have more than one applicable rule of law. For example, suppose that a store employee advised Woods not to walk on the floor in the aisle because it was wet, but Woods decided to walk on it anyway. This fact could alter the outcome of the case because the store could then raise the defense of assumption of risk (see Chapter 7).