

REFERENCE GUIDE

The working glossary

Key distinctions in legal and commercial practice, explained in the context of your coursework.

Use this as a lookup alongside the unit, not as a substitute for the governing source or documents. Definitions below explain the teaching context; remedies and rights depend on the jurisdiction and actual wording.

Term	Meaning in these exercises	Common mistake to avoid
Authority	Permission or legal power to act for a person/entity; identify its source and scope	A job title or upload permission proves power to accept terms
Delegation	A bounded instruction allocating a decision to a role/person	Legal review automatically includes spending approval
Statute / judgment / guidance	Legislation; a court's decision and reasoning; an explanatory or professional resource	Treating all three as the same kind of authority
Pinpoint	The exact section, paragraph, clause or record supporting the proposition	A document title proves a particular conclusion
Formalities	Legal requirements for making or executing the particular contract/document, depending on its kind and applicable law	One signature rule applies to every document or jurisdiction
Formation	Whether and on what terms legal agreement was reached	No signature always means no contract, or performance accepts every term
Consideration	The exchange supporting a simple contract in the English-law analysis	The price must be commercially fair to count
Representation / contractual term	A statement and an agreed promise can raise different legal questions	Treating every sales statement as the same kind of obligation
Interpretation	Reading actual contractual language in its legal and commercial context	Rewriting an inconvenient bargain to seem fair

Term	Meaning in these exercises	Common mistake to avoid
Damages	A monetary remedy requiring the applicable entitlement and loss analysis	Turnover, an invoice or a cap automatically fixes recovery
Causation / remoteness / mitigation	Separate questions about the breach's connection to loss, legal limits on responsibility for that type of loss, and reasonable steps to avoid or reduce it	Proof of expenditure answers all three questions; these descriptions replace the full legal tests
Indemnity	A contractual allocation whose scope and effect depend on wording and law	Its heading necessarily bypasses all other limits or creates insurance cover
Liability cap	An agreed limit with a defined base, period, aggregation and exceptions	The cap is automatically owed, or per-claim means aggregate
Acceptance / change	Testing agreed performance versus agreeing a different baseline	All developer work is paid additional scope
MSA / order / statement of work (SOW)	General contract framework; transaction-specific order; description of deliverables and performance—subject to the actual agreed document set	The heading alone establishes incorporation or precedence
Condition / covenant / warranty	A dependency for a step; an undertaking to act; a contractual statement with consequences	A warranty physically supplies a missing consent
Disclosure	In litigation, identifying document existence; in a transaction, an agreed mechanism for qualifying statements	Using the two meanings interchangeably
Confidentiality / privilege	Restrictions on information handling versus a distinct legal protection requiring its own basis	Copying a lawyer creates privilege for every business record
Assignment / licence	Transfer of specified rights versus permission for specified use	Paying an invoice transfers all IP
Controller / processor	Activity-specific roles concerning decisions about processing and processing on another's behalf	A contract label settles the role for every purpose

Term	Meaning in these exercises	Common mistake to avoid
Cash / revenue / profit	Available money; recognised sales under the accounting treatment; income less relevant costs	Equity funding is customer revenue, or profit equals distributable cash
Book equity / equity price	Assets less liabilities in the simplified balance sheet; a negotiated valuation/ price - model output	The same number must appear in both
Enterprise - to - equity bridge	A stated value less included debt plus included cash and defined adjustments	The debt deduction itself repays the lender
Primary / secondary	New securities issued for company funding; existing securities transferred between holders	All investment cash goes to selling shareholders
Pre - money / post - money	In the simplified all - primary round, value before the new company cash and value after adding it	Ignoring option, instrument or definition changes in a real financing
Issued / fully diluted	Actual issued interests; an expressly defined model including specified potential interests	Unexercised options necessarily have current votes
Preference / participation	Specified distribution priority; sharing in residual proceeds under stated terms	A headline multiple guarantees cash irrespective of exit proceeds
As converted	A calculation treating preferred holdings as converted into ordinary/ common participation under the stated terms	In the non - participating example, adding the preference to the conversion return
Reserved matter	A specified decision requiring an additional consent under the supplied governance arrangement	A minority percentage alone proves either control or absence of influence
Pre - emption	A context - specific priority opportunity, for example on certain new issues or transfers	New - issue statutory rights and contractual transfer rights are interchangeable
De minimis / basket	An individual - claim threshold; an aggregate - claims mechanism whose trigger and deductible/tipping treatment depend on wording	Applying an aggregate threshold to each claim, or assuming the label supplies the formula

Term	Meaning in these exercises	Common mistake to avoid
Sources and uses	Where funded value comes from and where it goes, with cash/non-cash distinguished	An uncalled commitment or rollover is cash available for fees
Security / guarantee	Rights over assets under a legal mechanism; a particular personal obligation	Consent to a sale releases both automatically
Signing / completion / release	Execution; the transaction step under its terms; authority to release documents/funds	A signed document held to order proves completion
Precision / recall	True flags divided by all flags; detected true issues divided by all actual issues	Swapping denominators or ignoring severity
Holdout	An evaluation record not used to tune the process	Calling a familiar development example unseen
Review status	What evidence and decisions actually exist for an item	A green tick, model confidence or filename called final proves correctness

If these distinctions are unfamiliar, complete the core slowly and use the guided exercises before a specialist path. The programme does not replace the wider legal doctrine or jurisdiction training required for independent practice.