

Deepening Your Analysis: Business Associations

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On the bar exam, **analysis** is where you earn the most points. The rule statement shows you know the law. The analysis shows you can *use* it. Analysis means taking the specific facts from the prompt and explaining, step by step, why they satisfy or fail each element of the rule. A conclusion without this reasoning is just an assertion -- the grader has no evidence you understood the problem. Below, we look only at the analysis portions of your essay compared to a model answer for the same prompt, with specific ways to strengthen each one.

Issue 1: Carol's Authority to Bind the Partnership

Your analysis:

Carol was hired as a sales manager, and the partnership explicitly told her she could approve custom orders only up to \$5,000. However, last month, the partnership allowed a \$5,500 contract to proceed without comment. Carol's \$7,000 contract fails under actual authority because Carol does not have actual authority to exceed the \$5,000 limit, despite the previous \$5,500 contract that was allowed. Therefore, the court will likely find the contract does not bind the partnership.

Model analysis:

Carol lacked actual authority. A&B explicitly told her she could only approve orders up to \$5,000. However, Carol likely had apparent authority. A&B's prior conduct -- allowing the \$5,500 contract to proceed without comment -- was a manifestation to the public. A new client like Dave could reasonably believe, based on A&B's past acquiescence to an over-the-limit contract, that Carol had the authority to enter into similar contracts. The principal's manifestation, not the agent's, creates apparent authority. Therefore, A&B Designs is bound.

You correctly applied the \$5,000 limit to show actual authority fails. But you stopped there. The \$5,500 contract that went unchallenged is the most important fact in this question -- it exists to trigger a second theory: apparent authority. You mentioned the \$5,500 fact but dismissed it. The model uses it as the crux: the partnership's silence told outsiders like Dave that Carol *could* approve larger deals. When one theory fails, the bar exam is almost always testing whether you'll spot the next one.

Build this habit: Every time you write "therefore, this fails," pause and ask: do the facts support an alternative theory that succeeds? Write two sentences on it, even if brief. That's where the points are.

Issue 2: Partnership Liability for the Showroom Lease

Your analysis:

Ben, despite not consulting Alice, signed a one-year lease for a large new showroom with Landlord Corp. The lease will likely bind the partnership because Ben was acting within the ordinary course of business dealings and did not exceed his actual authority. The showroom was in a prime location, much larger, and more expensive, but Ben had the actual authority to make the decision.

Model analysis:

Ben, a partner, signed a lease for a showroom. For a business that creates and sells custom furniture, having a showroom is squarely within the ordinary course of business. It is not an extraordinary matter requiring a unanimous vote of the partners. Because the act was in the ordinary course, Ben had the authority to bind the partnership. As a general partner, Alice is jointly and severally liable for this partnership debt.

You reached the right answer and your instinct is correct. The gap is one missing sentence: *why* is a showroom lease "ordinary course"? You asserted it. The model explains it -- a furniture design firm needs a showroom to display products, so leasing one is routine for this type of business. That single explanatory sentence turns an assertion into analysis. You did the same thing with Alice's liability: correct conclusion, but no reasoning connecting the general rule to her specific situation.

Build this habit: After every conclusion, add one sentence starting with "because" that ties it to the specific business or facts. "This is ordinary course *because* a furniture firm needs a showroom" -- that's the analysis.

Issue 3: Ben's Duty of Loyalty (Van Sale)

Your analysis:

Ben proposed that the corporation buy the van for \$30,000, providing the material facts by disclosing his ownership of the dealership and presenting reliable data showing the price is fair market value, and the majority of disinterested directors voted in favor when Alice reviewed the data and voted to approve the purchase. Therefore, Ben did not breach his fiduciary duty of loyalty.

Model analysis:

The van sale was a classic conflicting interest transaction because Ben stood on both sides: as a director of the buyer and as the sole owner of the seller. However, Ben followed the procedure for the disinterested director safe harbor. He disclosed the material facts and his interest to the board. Alice, the only other director, was disinterested as she had no financial stake in Ben's dealership. After reviewing data, Alice voted to approve. This procedure cleansed the transaction. Therefore, Ben did not breach his duty of loyalty.

This is your strongest section -- you identified the right elements, applied each to the facts, and reached the correct conclusion. The one difference: the model names the problem before solving it. "Ben stood on both sides" tells the reader *why* the duty of loyalty is even triggered. You jumped straight to the safe harbor without explaining what made this transaction suspicious in the first place. Setting up the conflict first makes your resolution more persuasive.

Build this habit: Before applying a legal test, write one sentence identifying what makes this situation *problematic*. "This is a conflict because Ben is on both sides of the deal" -- then the safe harbor analysis lands with more force.

You already know the law. Your issue spotting is complete and your conclusions are almost always correct. The gap between a 4 and a 6 is not more knowledge -- it's showing more of your reasoning on the page. Three habits: (1) when one theory fails, look for a second one; (2) after every conclusion, add a "because" sentence tied to the specific facts; (3) name the problem before you solve it. These are small changes that compound.