



ACCG614

Business and Corporation Law

S2 Day 2014

Dept of Accounting & Corporate Governance

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General Information

Unit convenor and teaching staff

Unit Convenor

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E4A309

By appointment

Credit points

4

Prerequisites

Admission to MAcc(CPA) or MAcc(Prof) or MCom or MEd or MAcc(Prof)MCom or MBioTechMCom

Corequisites

Co-badged status

Unit description

The aim of this unit is to introduce students to the Australian legal system, including relevant commercial legal principles and corporate law and regulation. After dealing with core aspects of rights and liabilities, and the characteristics of business organisations generally, the unit focuses on Australian company law. Students develop an understanding of the nature and function of a company, as well as the important issues concerning shareholder rights and the duties of directors. The unit also addresses issues relevant to companies and individuals in financial difficulty and the law as to insolvency. Seminars will include consideration of relevant legal issues, case law, and important sections of the Corporations Act 2001 (Cth) and other relevant legislation.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.

Distinguish between business organisations and assess how companies are formed,

different types of companies and the relevance of the company constitution
Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors.

Appraise and evaluate how shareholders rights are protected and how the Corporations Act regulates acquisition and disposal of shares.

Critically assess corporate insolvency in the current regulatory environment.

Analyse the legal aspects of particular sets of facts or case studies relevant to commercial and corporations law and investigate and appraise the legal problems associated with these.

Assessment Tasks

Name	Weighting	Due
<u>Presentation and submission</u>	25%	Ongoing
<u>Test</u>	10%	Week beginning 25 August 2014
<u>Media reflection</u>	5%	Week beginning 3 November 2014
<u>Final Examination</u>	60%	University Examination Period

Presentation and submission

Due: **Ongoing**

Weighting: **25%**

Presentation 10%.

Submission of summary and analysis 15%.

The written submission summarising and analysing your presentation must be submitted at the time of your allocated/scheduled seminar class immediately following the class in which the presentation was given (that is, the next week). No extensions will be granted. Late tasks will be accepted up to 48 hours after the submission deadline. There will be a deduction of 20% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 40% penalty). This penalty does not apply for cases in which an application in relation to disruption to studies is made and approved.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.

- Distinguish between business organisations and assess how companies are formed, different types of companies and the relevance of the company constitution
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors.
- Appraise and evaluate how shareholders rights are protected and how the Corporations Act regulates acquisition and disposal of shares.
- Critically assess corporate insolvency in the current regulatory environment.
- Analyse the legal aspects of particular sets of facts or case studies relevant to commercial and corporations law and investigate and appraise the legal problems associated with these.

Test

Due: **Week beginning 25 August 2014**

Weighting: **10%**

The test will be administered in your seminar class in the week beginning 25 August 2014. Students must take the test in their allocated/scheduled seminar.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.
- Analyse the legal aspects of particular sets of facts or case studies relevant to commercial and corporations law and investigate and appraise the legal problems associated with these.

Media reflection

Due: **Week beginning 3 November 2014**

Weighting: **5%**

Analyse a current newspaper article in relation to any of the topics covered in the unit. See Assessment Guide on iLearn for more information. This assessment must be submitted (at the latest) in your allocated/scheduled seminar class in the week beginning 3 November 2014.

No extensions will be granted. Assignments submitted after the due date will not be marked and will receive a score of 0. This penalty does not apply for cases in which an application in relation to disruption to studies is made and approved.

On successful completion you will be able to:

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- Analyse the legal aspects of particular sets of facts or case studies relevant to commercial and corporations law and investigate and appraise the legal problems associated with these.

Final Examination

Due: **University Examination Period**

Weighting: **60%**

Examination Conditions: Formal, invigilated examination. See Assessment Guide on iLearn for more information.

Note: there is a requirement that to be awarded a final grade of a Pass, or a higher grade, a student **must pass the final exam**.

Supplementary Exam:

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled as per the Supplementary Examination timetable of the Faculty. Please note that the supplementary examination will be of a similar format to the final examination.

On successful completion you will be able to:

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.
- Distinguish between business organisations and assess how companies are formed, different types of companies and the relevance of the company constitution
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors.
- Appraise and evaluate how shareholders rights are protected and how the Corporations Act regulates acquisition and disposal of shares.

- Critically assess corporate insolvency in the current regulatory environment.
- Analyse the legal aspects of particular sets of facts or case studies relevant to commercial and corporations law and investigate and appraise the legal problems associated with these.

Delivery and Resources

Classes

Classes will progress through the various Lecture Areas referred to in this Unit Guide. Students will attend one seminar (time allotted 3 hours) each week. There may be some reorganisation, overlapping, and/or integration of areas to accommodate assessment and unit structure. Note that together with the designated practice questions, the classes may cover other issues relevant to the unit.

The timetable for classes can be found on the University web site at:

<http://www.timetables.mq.edu.au/>

Students must remain in their allocated classes.

Prizes

• There is a prize for the most successful student in this unit.

http://www.businessandeconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships

Required and Recommended Texts and/or Materials

Quilter, *Company Law Perspectives*, 2nd ed. 2014, Thomson Reuters (Lawbook Co.)

Lipton, Herzberg and Welsh, *Understanding Company Law*, 17th ed. 2014 Thomson Reuters (Lawbook Co.)

Both above texts can be purchased from the Macquarie University Co-op Bookshop, and are available in the Macquarie University library.

Note that certain material relevant to the first 3 classes will be made available on iLearn.

After considering the Australian legal framework and aspects of general commercial law the unit will focus on corporate issues and the relevance and effect of the Corporations Act. Note that certain relevant sections of the Corporations Act are set out in [Company Law Perspectives](#) 2nd ed. 2014. Statutes may be viewed in full at www.austlii.edu.au

Also note that the law is constantly changing and evolving, and you will be alerted to any substantial changes that are relevant to the unit or the texts.

Useful websites

- www.asic.gov.au
- www.asx.com.au
- www.takeovers.gov.au

- www.camac.gov.au

By using www resources students are able to gain a perspective on their studies and be aware of real world situations where company law is relevant. Newspaper coverage of company law gives depth and realism to the formal explanations of the law in texts.

Seminars may make use of PowerPoint; overhead projectors; visualisers.

Unit material is available on the learning management system (iLearn)

There is a web page for this unit.

This unit is taught by way of seminars. Practice questions are discussed to enable application of content.

Students should take responsibility for their own learning and this will incorporate reading as required, attendance at seminars, developing effective study strategies, reflection on their abilities, and a task oriented approach to assessment – that is, do not think solely about gathering information - think about what will be required - what makes for successful performance in tests and exams - how you will use the law you have studied. There are 2 main components of successful commercial and company law study: one is that students must have some knowledge of the core issues of the relevant topics [take short clear notes in classes, think about your task, involve yourself in classes], the second is that students will only be successful if they can apply what they have learned, that is, in your test, presentation, or exam, you have to be able to use the law to solve problems, communicate, analyse and explain.

Unit Schedule

Week	Lecture Areas
1	<u>LEGAL FRAMEWORK AND LEGAL SYSTEM</u> <u>LAW OF TORT</u> see materials
2	<u>CONTRACT LAW</u> see materials
3	<u>CONTRACT LAW</u> <u>CONSUMER PROTECTION</u> <u>AGENCY</u> see materials Quilter, Company Law Perspectives , 2nd ed, 2014 Thomson Reuters (Lawbook Co.) [referred to herein as "Q"] Ch. 1 and 31

4	<p><u>COMPARISON OF BUSINESS ORGANISATIONS</u></p> <p>Associations; Sole Traders; Partnerships</p> <p>Q Ch. 2</p> <p>Lipton, Herzberg and Welsh, Understanding Company Law, 17th ed, 2014 Thomson Reuters (Lawbook Co.) [referred to herein as "L&H"] Ch.2</p> <p>Partnership Act: www.austlii.edu.au/au/legis/nsw/consol_act/pa1892154/</p> <p><u>CORPORATE HISTORY AND LEGISLATIVE FRAMEWORK</u></p> <p>Evolution of modern company and Australian developments: Q Ch. 3 L & H Ch.1</p>
5	<p><u>REGISTRATION AND TYPES OF COMPANIES</u></p> <p>Applying for registration and the consequences of incorporation: Q Ch. 5 L & H Ch.2</p> <p>Types of Companies: Q Ch. 4 L & H Ch.3</p> <p>Corporations Act: www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/</p> <p><u>THE COMPANY CONSTITUTION AND THE RELATIONSHIP BETWEEN THE COMPANY AND OUTSIDERS</u></p> <p>The company constitution and the replaceable rules: Q Ch. 6 L&H Ch 4</p> <p>Company liability in contract, tort and crime: Q Chs. 7 and 8 L&H Ch 5</p>
6	<p><u>CORPORATE FINANCING and DIVIDENDS</u></p> <p>Disclosure to Investors – fundraising: Q Ch. 11 L&H Ch 7</p> <p>Share capital: Q Ch. 12 L&H Ch 8</p> <p>Membership: Q Ch. 10 L&H Ch 9</p> <p>Debentures and Loan Capital: Q Ch. 14 L&H Ch 11</p> <p>Dividends: Q Ch. 13 L&H Ch 10</p>
7	<p><u>DIRECTORS and MANAGEMENT</u></p> <p>Q Ch. 15 L&H Ch 12</p>
8	<p><u>DIRECTORS DUTIES and CORPORATE GOVERNANCE</u></p> <p>Q Chs. 16, 17 and 18 L&H Ch 13</p>
9	<p><u>DIRECTORS DUTIES (cont.); FINANCIAL and REPORTING OBLIGATIONS; AUDIT</u></p> <p>Duties of directors and other officers (continued): Q Chs. 16, 17 and 18 L&H Ch. 13</p> <p>Financial and Reporting Obligations of Directors: Q Ch. 19 L&H Ch. 15</p> <p>The Role of Auditors and Issues of Audit Liability: Q Ch. 20 L&H Ch. 16</p> <p>ASIC Investigation: Q Ch. 21 L&H Ch 21</p>

10	<u>MEETINGS AND MEMBERS RIGHTS</u> Members Meetings: Q Ch. 23 L&H Ch.14 Members Rights and the position of the Minority: Q Ch. 22 L&H Ch. 17
11	<u>TAKEOVERS; FINANCIAL SERVICES AND MARKETS</u> Takeovers: Q Ch. 24 L&H Ch. 18 Financial Services and Markets: Q Ch. 25 L&H Ch. 19
12	<u>INSOLVENCY and RESTRUCTURING</u> Bankruptcy Insolvency Arrangements and Reconstructions; Receivership; Voluntary Administration Q Chs. 26, 27, 28 and 29 L&H Chs. 22, 23, and 24
13	<u>LIQUIDATION</u> Liquidation - Insolvent trading Q Ch. 30 L&H Ch. 25 (for insolvent trading Ch.13)

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.html

Assessment Policy <http://mq.edu.au/policy/docs/assessment/policy.html>

Grading Policy <http://mq.edu.au/policy/docs/grading/policy.html>

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Grievance Management Policy http://mq.edu.au/policy/docs/grievance_management/policy.html

Disruption to Studies Policy http://www.mq.edu.au/policy/docs/disruption_studies/policy.html *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/support/student_conduct/

Academic Honesty

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

Grades

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit
- P - Pass
- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

<http://www.mq.edu.au/policy/docs/grading/policy.html>

Grading Appeals and Final Examination Script Viewing

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals/

Disruption to Studies Policy

The University is committed to equity and fairness in all aspects of its learning and teaching. It recognises that students may experience disruptions that adversely affect their academic performance in assessment activities. To assist students through their studies, the University provides support services. Whilst advice and recommendations may be made to a student, it is ultimately the student's responsibility to access these services as appropriate.

http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

IT Help

For help with University computer systems and technology, visit <http://informatics.mq.edu.au/help/>.

When using the University's IT, you must adhere to the [Acceptable Use Policy](#). The policy applies to all who connect to the MQ network including students.

Graduate Capabilities

PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

Learning outcomes

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.
- Distinguish between business organisations and assess how companies are formed, different types of companies and the relevance of the company constitution

- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors.
- Appraise and evaluate how shareholders rights are protected and how the Corporations Act regulates acquisition and disposal of shares.
- Analyse the legal aspects of particular sets of facts or case studies relevant to commercial and corporations law and investigate and appraise the legal problems associated with these.

Assessment tasks

- Presentation and submission
- Test
- Final Examination

PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.
- Critically assess corporate insolvency in the current regulatory environment.
- Analyse the legal aspects of particular sets of facts or case studies relevant to commercial and corporations law and investigate and appraise the legal problems associated with these.

Assessment tasks

- Presentation and submission
- Test
- Media reflection
- Final Examination

PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and

problem solving.

This graduate capability is supported by:

Learning outcomes

- Distinguish between business organisations and assess how companies are formed, different types of companies and the relevance of the company constitution
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors.
- Appraise and evaluate how shareholders rights are protected and how the Corporations Act regulates acquisition and disposal of shares.
- Critically assess corporate insolvency in the current regulatory environment.
- Analyse the legal aspects of particular sets of facts or case studies relevant to commercial and corporations law and investigate and appraise the legal problems associated with these.

Assessment tasks

- Test
- Media reflection
- Final Examination

PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

Learning outcomes

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework.
- Distinguish between business organisations and assess how companies are formed, different types of companies and the relevance of the company constitution
- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors.
- Appraise and evaluate how shareholders rights are protected and how the Corporations Act regulates acquisition and disposal of shares.
- Critically assess corporate insolvency in the current regulatory environment.

Assessment tasks

- Presentation and submission
- Media reflection

Changes from Previous Offering

The texts (see Delivery and resources) and forms of assessment (see Assessment tasks) have changed from last session. 40% of your assessment is within session and prepared/ administered/ assessed by your lecturer (class test; presentation and written submission; media reflection written submission). 60% of your assessment is based on a final examination held within the University examination period. See the Assessment Guide on iLearn at the commencement of session.

Research and Practice

Both texts for this unit (Company Law Perspectives and Understanding Company Law) are the result of research in relation to the area of company law. The material in these texts provides you with a thorough coverage of the relevant issues. Interested students can pursue further research into any of the areas of this unit via the various scholarly journals focussing on company law. Examples of journals that can be consulted to follow up matters of interest are: Australian Journal of Corporate Law; Company and Securities Law Journal.