



# ACCG951

## Legal Governance for Business Enterprises

S1 Evening 2014

*Dept of Accounting & Corporate Governance*

### Contents

---

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	6
<u>Unit Schedule</u>	7
<u>Policies and Procedures</u>	10
<u>Graduate Capabilities</u>	11
<u>Research and Practice</u>	13

---

#### **Disclaimer**

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

## General Information

Unit convenor and teaching staff

Unit Convenor

Mark Runnalls

[mark.runnalls@mq.edu.au](mailto:mark.runnalls@mq.edu.au)

Contact via [mark.runnalls@mq.edu.au](mailto:mark.runnalls@mq.edu.au)

Friday 4pm to 6pm

Credit points

4

Prerequisites

ACCG614 or admission to MAdvProfAcc or MCorpGvnce prior to 2013

Corequisites

Co-badged status

Unit description

This unit examines the structure and issues relating to the legal governance regime of a business enterprise, including an in-depth analysis of the risks and governance structures relating to the law of contracts, corporations and insolvency. It offers a significant opportunities for a scholarly understanding of the legal framework and issues that relate to corporate governance.

## 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:

Analyse and comprehend the characteristics and framework of the legal system in which corporations function and in which they are governed.

Develop professional judgement in the various ways that companies are formed, their structure and constitution and how these affect the company's activities and impact on management and governance factors.

Critically evaluate key corporate governance and corporate social responsibility issues, in particular those that relate to the role and obligations of directors.

Understand the relationship between director's duties, governance issues and

shareholders rights.

Analyse corporate insolvency and related governance issues.

Develop an interest in, and an understanding of, corporate governance and current corporate issues.

## Assessment Tasks

Name	Weighting	Due
<u>1. Class Test</u>	20%	Week 4
<u>2. Presentation</u>	30%	In week allocated.
<u>4. Final Examination</u>	50%	Monday 9th June, 2014

### 1. Class Test

Due: **Week 4**

Weighting: **20%**

The Class test is assessed as follows:

Submission: In-class test in week 4. Students will complete the test in class, and the unit co-ordinator will collect the papers from students. If you are late, you will not be allowed to resit the test. If you miss the test because of illness you can re-sit upon production of satisfactory medical certificate and approval from the unit co-ordinator via the normal exemption process.

Marking criteria: The test will be 20 questions and marked out of a possible 20 marks, this is a diagnostic test which means it assesses students on progress to date and allows time to address potential challenges in subsequent classes. The questions will be based on the learnings covered during classes week 1-3 inclusive to ensure students have a thorough foundation of understanding.

Extension: No extensions will be granted.

Penalties: None, however if the test is not taken students will forfeit any marks for this assessment task.

On successful completion you will be able to:

- Analyse and comprehend the characteristics and framework of the legal system in which

corporations function and in which they are governed.

- Develop professional judgement in the various ways that companies are formed, their structure and constitution and how these affect the company's activities and impact on management and governance factors.
- Understand the relationship between director's duties, governance issues and shareholders rights.
- Develop an interest in, and an understanding of, corporate governance and current corporate issues.

## 2. Presentation

Due: **In week allocated.**

Weighting: **30%**

Submission: In-class presentation in week allocated. Students work in groups or individually (depending on numbers) and marks are awarded equally unless there is an objection by students based on one or more students not participating. Case studies are graded based on content and presentation style.

The purpose of this assessment is to allow the students to work on a significant piece of work and communicate their level of understanding of key concepts, theories and issues presented by the case studies during the semester. Each case study requires an oral presentation, approximately 20 minutes, a submitted power point presentation, plus a written report which summarises the key issues raised by the case study. Case study questions and project teams (numbers permitting) will be allocated in week 1 of semester.

Marking Criteria: This assessment task allows the students to display oral and written communication skills to explain the key concepts. 10 (of 30) marks are awarded for the presentation itself, 20 (of 30) marks are awarded for the written report and presentation slides. To achieve a distinction or high distinction equivalent score, students must be articulate, knowledgeable on the case study in question and demonstrate the ability to coherently answer the questions posed. Written reports to be no more than 2000 words, powerpoints to be limited to 20 slides. Students will work in groups, so unless there is a question over an individual students contribution to the group work, the same mark will be allocated to each group participant. If there is a question over a student's contribution the unit convenor will resolve the issue.

Extension: No extensions will be granted.

Penalties: Failure to present or submit will result in no marks being awarded for this assessment task.

On successful completion you will be able to:

- Analyse and comprehend the characteristics and framework of the legal system in which corporations function and in which they are governed.
- Develop professional judgement in the various ways that companies are formed, their structure and constitution and how these affect the company's activities and impact on management and governance factors.
- Critically evaluate key corporate governance and corporate social responsibility issues, in particular those that relate to the role and obligations of directors.
- Understand the relationship between director's duties, governance issues and shareholders rights.
- Develop an interest in, and an understanding of, corporate governance and current corporate issues.

## 4. Final Examination

Due: **Monday 9th June, 2014**

Weighting: **50%**

Submission: Written hard copy submitted during class in week 13.

A final examination is included as an assessment task to provide assurance that:

1. the product belongs to the student and
2. that the student has attained the knowledge and skills tested in the exam

A final two hour examination for this unit will be held during week 13 ie Monday 9th June 2014.

All material covered in the course is examinable. It is an open book examination. Further details will be made available via iLearn.

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In such circumstances students may wish to apply for Special Consideration.

Further details are available here:

[http://www.mq.edu.au/policy/docs/special\\_consideration/policy.html](http://www.mq.edu.au/policy/docs/special_consideration/policy.html)

**Marking Criteria:** The examination represents 50% of the student's overall assessment for this unit. Typically the examination consists of a multiple-choice format in one section followed by more indepth questions in the next section. Questions in the latter section are designed to test student's ability to demonstrate knowledge and understanding of the key topics and issues

covered in the unit. Students must pass the final examination in order to achieve a passing grade for the unit. Special consideration in the final examination can only be applied for by students with a minimum of 45% in the coursework assignments completed up to the application closing date.

Extension: None provided.

Penalties: Students will not receive any marks for this assessment task if they fail to sit the examination. 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 exam will be of similar format to the final exam.

On successful completion you will be able to:

- Analyse and comprehend the characteristics and framework of the legal system in which corporations function and in which they are governed.
- Develop professional judgement in the various ways that companies are formed, their structure and constitution and how these affect the company's activities and impact on management and governance factors.
- Critically evaluate key corporate governance and corporate social responsibility issues, in particular those that relate to the role and obligations of directors.
- Analyse corporate insolvency and related governance issues.
- Develop an interest in, and an understanding of, corporate governance and current corporate issues.

## **Delivery and Resources**

### Classes:

Classes will progress through the various Lecture Areas referred to in this Unit Guide. There is one seminar each week (time allotted 3 hours). There may be some reorganisation, overlapping, and/or integration of areas to accommodate assessment and unit structure.

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

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

### Required and Recommended Texts and Materials:

Lipton, Herzberg and Welsh, Understanding Company Law, Thomson Reuters (Lawbook Co.) 17th ed 2013.

Quilter, M, Company Law Perspectives 1st ed. 2012

Texts can be purchased from the Macquarie University Co-op Bookshop, and are available in the Macquarie University library. The unit will focus on corporate issues and the relevance and effect

of the Corporations Act. The Act may be viewed in full at [www.austlii.edu.au](http://www.austlii.edu.au)

Useful websites: [www.asic.gov.au](http://www.asic.gov.au) [www.asx.com.au](http://www.asx.com.au) [www.takeovers.gov.au](http://www.takeovers.gov.au) [www.smh.com.au](http://www.smh.com.au)  
[www.camac.gov.au](http://www.camac.gov.au) [www.lipton-herzberg.com.au](http://www.lipton-herzberg.com.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.

Unit Web Page Course materials are available on the learning management system (iLearn). Teaching and Learning Strategy Students should take responsibility for their own learning and this will incorporate reading as required, attendance at classes, developing effective study strategies, reflection on their abilities, and a task oriented approach to assessment – that is, do not think solely about your input (gathering information) think about what will be required, what makes for successful performance in tests and exam, how will you use the law you have studied? There are 2 main components of successful company law study: one is that students must have some knowledge of the core issues of the relevant topics [take short clear notes in lectures, 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, exam or other assessment such as a presentation, you have to be able to use the law to solve problems or to clearly explain issues.

Classes should be used by students to test their understanding of the unit in an environment where immediate feedback is available from the lecturer – students should be prepared to respond to, and ask, questions – being active is an important aspect of both study and professional practice and classes will be of more benefit to all students if they are willing to participate. Students are expected to attend classes. Where any issue arises as to a student's performance it may be necessary to consider whether they have attended all the classes.

Technology Used and Required: Students must be familiar with iLearn. Students are required to conduct their own research and need to be familiar with Internet search engines.

## Unit Schedule

Where specific materials outside of the text may be relevant students will be directed accordingly:

### Week 1 – LEGAL SYSTEM, CORPORATE FRAMEWORK AND CORE PRINCIPLES

Contracts; Agency; Associations; Sole Traders; Partnerships

LHW Ch. **Partnership Act:** [www.austlii.edu.au/au/legis/nsw/consol\\_act/pa1892154/](http://www.austlii.edu.au/au/legis/nsw/consol_act/pa1892154/)

### Week 2 – DIRECTORS AS AGENTS AND THEIR ROLE IN IDENTIFYING CORPORATE LIABILITY

Evolution of modern company and Australian developments:

#### LHW Ch.1

Applying for registration and the consequences of incorporation:

**LHW Ch.2**

Types of Companies:

**LHW Ch.3**

The company constitution and the replaceable rules:

**LHW Ch. 4**

Company liability in contract, tort and crime:

**LHW Ch. 5**

Corporations Act: [www.austlii.edu.au/au/legis/cth/consol\\_act/ca2001172/](http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/)

**Week 3 – RELEVANCE OF GOVERNANCE IN RELATION TO CORPORATE FINANCING AND PAYMENT OF DIVIDENDS**

Disclosure to Investors – fundraising:

**LHW Ch. 7**

Share capital:

**LHW Ch. 8**

Debentures and Loan Capital:

**LHW Ch. 11**

Dividends:

**LHW Ch. 10**

**Week 4 – DIRECTORS AND GOVERNANCE ISSUES IN RELATION TO PROCEDURE AND MANAGEMENT**

**L&H Ch. 12**

ASIC Investigation:

**LHW Ch. 21**

**Week 5 - DIRECTORS DUTIES and CORPORATE GOVERNANCE [1]**

**GENERAL LAW (FIDUCIARY) DUTIES**

**LHW Ch. 13**



**Week 6 - DIRECTORS DUTIES and CORPORATE GOVERNANCE [2]**

**STATUTORY DUTIES**

LHW Ch. 13

**Week 7 – DIRECTORS DUTIES and CORPORATE GOVERNANCE [3]**

**FINANCIAL AND REPORTING OBLIGATIONS; ASX CORPORATE GOVERNANCE PRINCIPLES**

LHW Ch. 13

Financial and Reporting Obligations of Directors:

LHW Ch. 15

**Mid session break April 13 to April 27, 2013**

**Week 8 – THE ROLE OF DIRECTORS DUTIES AND GOVERNANCE IN RELATION TO MEMBERS RIGHTS**

Members Meetings:

LHW Ch.14

Members Rights and the position of the Minority:

LHW Ch.17

**Week 9 – GOVERNANCE IN RELATION TO THE WIDER MARKET:**

**TAKEOVERS; FINANCIAL SERVICES AND MARKETS**

Takeovers:

LHW Ch. 18

Financial Services and Markets:

LHW Ch. 19

**Week 10 – INSOLVENCY AND GOVERNANCE [1]**

**CORPORATE RESTRUCTURING**

Insolvency

Arrangements and Reconstructions; Receivership; Voluntary Administration

LHW Chs.22, 23, and 24

**Week 11 – INSOLVENCY AND GOVERNANCE [2]**

## LIQUIDATION

Liquidation - Insolvent trading

LHW Ch. 25 (for insolvent trading Ch.13)

## Week 12 – THE FUTURE OF GOVERNANCE PRACTICES

### OVERVIEW AND REVISION

## Week 13 – FINAL EXAMINATION TO BE HELD IN CLASS

# 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](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](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](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/](https://students.mq.edu.au/support/student_conduct/)

## 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](http://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](http://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 - 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

- Develop professional judgement in the various ways that companies are formed, their structure and constitution and how these affect the company's activities and impact on management and governance factors.
- Critically evaluate key corporate governance and corporate social responsibility issues, in particular those that relate to the role and obligations of directors.
- Understand the relationship between director's duties, governance issues and shareholders rights.
- Analyse corporate insolvency and related governance issues.

### Assessment tasks

- 1. Class Test

- 2. Presentation
- 4. 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

- Analyse and comprehend the characteristics and framework of the legal system in which corporations function and in which they are governed.
- Develop professional judgement in the various ways that companies are formed, their structure and constitution and how these affect the company's activities and impact on management and governance factors.

### Assessment tasks

- 1. Class Test
- 2. Presentation
- 4. Final Examination

## PG - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

### Learning outcomes

- Analyse and comprehend the characteristics and framework of the legal system in which corporations function and in which they are governed.
- Develop professional judgement in the various ways that companies are formed, their structure and constitution and how these affect the company's activities and impact on management and governance factors.
- Critically evaluate key corporate governance and corporate social responsibility issues, in particular those that relate to the role and obligations of directors.
- Understand the relationship between director's duties, governance issues and shareholders rights.

- Analyse corporate insolvency and related governance issues.
- Develop an interest in, and an understanding of, corporate governance and current corporate issues.

## **Assessment tasks**

- 1. Class Test
- 2. Presentation
- 4. Final Examination

## **Research and Practice**

In addition to the course materials and textbook, students are encouraged to consult different sources and search for external reading materials and practical reports. This will enhance their understanding of the unit concepts and support their learning process.