



# BUSL251

## Business and Corporations Law

S3 Day 2017

*Dept of Accounting & Corporate Governance*

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#### Disclaimer

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## General Information

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Credit points

3

Prerequisites

12cp at 100 level or above

Corequisites

Co-badged status

Unit description

This unit introduces students to the Australian legal system, including contract law, and focuses on corporate law and regulation. The relationship between the law and the role of accounting and business professionals is an underlying theme and students are encouraged to develop critical thinking skills as they analyse and evaluate legal issues in a commercial context. The unit will provide students with perspectives on a range of commercially important legal issues such as forming a business, management responsibilities, investor/shareholder protection, and insolvency. Topics include contract law, agency, partnerships, characteristics of companies, director's duties, rights of shareholders, voluntary administration, and liquidation. The unit develops graduate capabilities associated with discipline specific knowledge, critical thinking and communication skills.

## 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 Australian legal system' including the law of contract, and comprehend the characteristics of different business organisations including understanding how companies are formed, distinguishing between 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 insolvency mechanisms and issues and critically assess corporate insolvency in the current regulatory environment.

Ability to synthesise, analyse and evaluate legal issues in a commercial context including the ability to apply the law and recognise various perspectives.

## General Assessment Information

Expected Workload - Activities	Hours
Weekly Lectures/Tutorials	36
Assessment Task 1 (Assessed Coursework)	36
Assessment Task 2 (Media Reflection Assignment)	16
Assessment Task 3 (final examination + preparation)	42
Reading required material/self-study	20
TOTAL	150

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#">Assessed Coursework</a>	20%	No	Ongoing

Name	Weighting	Hurdle	Due
<u>Media Reflection Assignment</u>	20%	No	Wednesday 10/1/2018
<u>Final Examination</u>	60%	No	University Examination Period

## Assessed Coursework

Due: **Ongoing**

Weighting: **20%**

Assessed coursework involves evidence of preparation for, participation in, and contribution to the tutorial. See Assessment Guide on iLearn for more information.

Other than where a relevant application pursuant to the **Special Consideration** policy is **approved**, if a student attends less than 50% of the allotted tutorials the total available mark for assessed coursework will be reduced by 50%.

On successful completion you will be able to:

- Examine the Australian legal system' including the law of contract, and comprehend the characteristics of different business organisations including understanding how companies are formed, distinguishing between 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 insolvency mechanisms and issues and critically assess corporate insolvency in the current regulatory environment.
- Ability to synthesise, analyse and evaluate legal issues in a commercial context including the ability to apply the law and recognise various perspectives.

## Media Reflection Assignment

Due: **Wednesday 10/1/2018**

Weighting: **20%**

This assessment involves a written analysis of a current Australian newspaper/media article. It must be submitted via iLearn/Turnitin by 12pm Wednesday 10/1/2018. A hard-copy of the

assignment (plus the relevant newspaper/media article) must also be submitted (handed-in) in your allocated/scheduled tutorial on Wednesday 10/1/2018. See Assessment Guide on iLearn for more information.

No extensions will be granted. There will be a deduction of 10% 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 – 20% penalty). This penalty does not apply for cases in which an application for **Special Consideration** is made and **approved**.

On successful completion you will be able to:

- Examine the Australian legal system' including the law of contract, and comprehend the characteristics of different business organisations including understanding how companies are formed, distinguishing between 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 insolvency mechanisms and issues and critically assess corporate insolvency in the current regulatory environment.
- Ability to synthesise, analyse and evaluate legal issues in a commercial context including the ability to apply the law and recognise various perspectives.

## Final Examination

Due: **University Examination Period**

Weighting: **60%**

**Examination Conditions:** Formal, invigilated examination. You are expected to present yourself for examination at the time and place designated in the University examination timetable. See Assessment Guide on iLearn for more information.

### 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 Australian legal system' including the law of contract, and comprehend the characteristics of different business organisations including understanding how companies are formed, distinguishing between 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 insolvency mechanisms and issues and critically assess corporate insolvency in the current regulatory environment.
- Ability to synthesise, analyse and evaluate legal issues in a commercial context including the ability to apply the law and recognise various perspectives.

## Delivery and Resources

### Classes

Students will undertake lectures and tutorials as set out in the Unit Schedule. The sequencing of the lecture program and the unit content will allow you to develop your understanding of business and corporations law as the unit progresses. There may be some reorganisation, overlapping, and/or integration of areas to accommodate assessment and unit structure.

### Prizes

Information concerning prizes in this unit can be found on the following web page:

[http://www.businessandconomics.mq.edu.au/undergraduate\\_degrees/prizes\\_scholarships](http://www.businessandconomics.mq.edu.au/undergraduate_degrees/prizes_scholarships)

### Required and Recommended Texts

**Required: Quilter, *Company Law Perspectives*, 3rd ed. 2017**, Thomson Reuters (Lawbook Co.)

*Company Law Perspectives 3rd ed.* can be purchased from the Co-op Bookshop, and is available in the Macquarie University library.

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* 3rd ed. 2017. Statutes may be viewed in full at [www.austlii.edu.au](http://www.austlii.edu.au)

The following is not required but may be useful : Lipton, Herzberg and Welsh, *Understanding Company Law*, Thomson Reuters (Lawbook Co.)

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)

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

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

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 gathering information/content - think about what you are required to do with that information/content, what makes for successful performance in your (various) assessments.,how you will use the law you have studied.

There are 2 main components of successful business and corporations 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 class, your assignment, or in the exam, you have to be able to use the law to communicate, analyse, interpret and explain.

Students should be ready to allocate at least 150 hours during session time for BUSL250. This includes all classes, assessment, personal study and other learning activities.

## Unit Schedule

**The Unit is divided into 5 integrated areas. All of these areas are important to an understanding of the commercial and corporate issues that have a relationship to the role and responsibilities of accounting and business professionals.**

### Legal system and core legal and commercial concepts

**Relevance for accounting and business professionals: Exposure to basic rights and commercial responsibilities to inform both personal transactions and professional advice to clients; employment relations; duty of care in delivery of services; objectivity in assessment of performance; basic business organisation.**

#### Lecture 1

**Legal framework**

**Law of tort**

**Company Law Perspectives, 3rd ed. 2017 [referred to herein as "CLP 3rd"]: Ch.1 and 3**

#### Lecture 2

**Contract law**

**CLP 3<sup>rd</sup>: Ch. 2**

***Tutorial 1***

### Lecture 3

Contract law

Consumer protection

Agency

CLP 3<sup>rd</sup>: Ch. 2, 4 and 34

*Tutorial 2*

### Business Organisations and the Corporate Framework

Relevance for accounting and business professionals: Informed as to choice of profit-making structure; importance of level of liability; exposure to business failure; understanding key business advice and strategy; entrepreneurial interrelationships; familiarisation with corporate regulator

### Lecture 4

Comparison of business organisations

Partnership

Registration of companies – the role of ASIC

Types of companies

Consequences of registration

CLP 3<sup>rd</sup>: Chs.5, 6, 7, 8 and 24

UCL Ch.2 and 3

**Note: Company Law Perspectives 3<sup>rd</sup> ed. ["CLP 3rd"] is the required text** – however if students wish to read further, references to the corresponding chapters in Understanding Company Law [herein “UCL”] are included from Week 4 forward [see the Delivery and Resources section in this Unit Guide].

*Tutorial 3*

### Lecture 5

The nature of Trusts and the role of corporate trustees

The company constitution and the relationship between the company and outsiders – the role of directors as agents and company liability in contract, tort and crime

Financing - Share capital and fundraising; loan capital

Dividends

CLP 3<sup>rd</sup>: Ch. 9, 10, 11, 13, 14, 15, 16 and 17

[UCL Ch. 4, 5, 7, 8, 10, and 11]



## ***Tutorial 4***

### **Corporate management and governance responsibilities**

**Relevance for accounting and business professionals:** Developing the ability to advise director clients as an accounting or business professional; relevant foundation knowledge for personal future entrepreneurship; importance of financial and ethical obligations and downsides of failure; recognising the relationship between company directors and accounting professionals; becoming alert to problems of financial oversight

### **Lecture 6**

**Directors and corporate management**

**Directors fiduciary duties**

**Q Ch.18 and 19**

[UCL Ch. 12 and 13]

## ***Tutorial 5***

### **Lecture 7**

**Directors statutory duties**

**Corporate governance**

**Financial and reporting obligations**

**Audit**

**Q Ch. 20, 21, 22, 23**

[UCL Ch.13, 15 and 16]

## ***Tutorial 6***

### **Shareholders and the corporate market**

**Relevance for accounting and business professionals:** Relevance to personal investment decisions; foundation information for providing professional share market advice to clients; awareness of key issues in company meetings; grounding for professional advisory role and introduction to current market issues

### **Lecture 8**

**Members rights**

**Company meetings**

**Q Ch. 25 and 26**

[UCL Ch. 14 and 17]

***Tutorial 7***

**Lecture 9**

**Takeovers**

**Financial services and markets – regulation and prohibited conduct**

**Q Ch. 27 and 28**

[UCL Ch. 18 and 19]

***Tutorial 8***

**Insolvency**

**Relevance for accounting and business professionals: Exposure to key accounting and business issues in insolvency practice and the place of insolvency practitioners in this crucial accounting-driven profession; understanding important signs and warnings of insolvency for both personal and business advisory use; being alert to insolvency options**

**Lecture 10**

**The concept of insolvency and the importance of insolvency regulation**

**Restructuring**

**Q Ch. 29, 30, 31 and 32**

[UCL Ch. 22, 23 and 24]

***Tutorial 9***

**Lecture 11**

**Liquidation**

**The role and responsibilities of liquidators**

**Q Ch.31**

[UCL Ch. 25 and 13]

***Tutorial 10***

**Lecture 12**

**Summary and Revision**

***Tutorial 11***

**19/1/18**

***Tutorial 12***

## 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\\_2016.html](http://mq.edu.au/policy/docs/assessment/policy_2016.html)

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

Complaint Management Procedure for Students and Members of the Public [http://www.mq.edu.au/policy/docs/complaint\\_management/procedure.html](http://www.mq.edu.au/policy/docs/complaint_management/procedure.html)

Disruption to Studies Policy (in effect until Dec 4th, 2017): [http://www.mq.edu.au/policy/docs/disruption\\_studies/policy.html](http://www.mq.edu.au/policy/docs/disruption_studies/policy.html)

Special Consideration Policy (in effect from Dec 4th, 2017): <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>

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/)

## Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](http://ask.mq.edu.au).

## 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](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.businessandeconomics.mq.edu.au/new\\_and\\_current\\_students/undergraduate\\_current\\_students/how\\_do\\_i/grade\\_appeals/](http://www.businessandeconomics.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](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](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://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

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

## Graduate Capabilities

### Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

### Learning outcomes

- Examine the Australian legal system' including the law of contract, and comprehend the characteristics of different business organisations including understanding how companies are formed, distinguishing between 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 insolvency mechanisms and issues and critically assess corporate insolvency in the current regulatory environment.
- Ability to synthesise, analyse and evaluate legal issues in a commercial context including the ability to apply the law and recognise various perspectives.

## Assessment tasks

- Assessed Coursework
- Media Reflection Assignment
- Final Examination

## Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

## Learning outcomes

- Examine the Australian legal system' including the law of contract, and comprehend the characteristics of different business organisations including understanding how companies are formed, distinguishing between 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.
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- Ability to synthesise, analyse and evaluate legal issues in a commercial context including the ability to apply the law and recognise various perspectives.

## Assessment tasks

- Assessed Coursework
- Media Reflection Assignment
- Final Examination

## Effective Communication

We want to develop in our students the ability to communicate and convey their views in forms effective with different audiences. We want our graduates to take with them the capability to read, listen, question, gather and evaluate information resources in a variety of formats, assess, write clearly, speak effectively, and to use visual communication and communication technologies as appropriate.

This graduate capability is supported by:

## **Learning outcomes**

- Examine the Australian legal system' including the law of contract, and comprehend the characteristics of different business organisations including understanding how companies are formed, distinguishing between 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.
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- Analyse insolvency mechanisms and issues and critically assess corporate insolvency in the current regulatory environment.
- Ability to synthesise, analyse and evaluate legal issues in a commercial context including the ability to apply the law and recognise various perspectives.

## **Assessment tasks**

- Assessed Coursework
- Media Reflection Assignment
- Final Examination

## **Changes from Previous Offering**

BUSL251 has undergone curriculum renewal for 2017 - the unit was previously a general business law unit - it is now more corporate focused. There is still an introduction to general business law matters in the first 3 lectures and general business law issues carry through the balance of the unit. However from the 4th lecture forward the unit concentrates on regulation and particularly regulation of companies under the Corporations Act.

## **Research and Practice, Global and Sustainability**

This unit addresses global and sustainability issues as direct areas of study and as necessary implications arising from the materials, assessment and academic discussion and debate in classes/seminars. The Department of Accounting and Corporate Governance promotes sustainability by developing the ability in students to research and locate information within the accounting discipline. The Department aims to provide students with an opportunity to obtain skills which will benefit them throughout their career.

The required text for this unit (Company Law Perspectives) is the result of research in relation to the area of company law. The material in the text 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 focusing 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.