



# ACCG2051

## Business and Corporations Law

Session 2, Special circumstance 2020

*Department of Accounting & Corporate Governance*

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#### 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.

#### Notice

As part of [Phase 3 of our return to campus plan](#), most units will now run tutorials, seminars and other small group learning activities on campus for the second half-year, while keeping an online version available for those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face and online activities for your unit, please go to [timetable viewer](#). To check detailed information on unit assessments visit your unit's iLearn space or consult your unit convenor.

## General Information

Unit convenor and teaching staff

Convenor

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Credit points

10

Prerequisites

50cp at 1000 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. At the conclusion of the unit students will be aware of legal regulation applicable to different types of business organisations, particularly companies, and be able to identify and evaluate a range of corporate legal issues.

## 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:

**ULO1:** Identify the features of the Australian legal system including the law of contract and distinguish business organisations based on their legal characteristics.

**ULO2:** Explain how companies are formed, differentiate between types of companies, and analyse and evaluate the role and obligations of directors.

**ULO3:** Examine how shareholders rights are protected and how the Corporations Act regulates acquisition and disposal of shares.

**ULO4:** Analyse insolvency mechanisms and issues, and critically assess corporate insolvency in the current regulatory environment.

## General Assessment Information

Together with the information provided in this Unit Guide there will be additional, and if required updated, information and detail in relation to assessment, and the unit generally, available on iLearn.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#">Tutorial Participation</a>	20%	No	Throughout Session

Name	Weighting	Hurdle	Due
<u>Media Assignment</u>	20%	No	Week 8
<u>Final Examination</u>	60%	No	University Exam Period

## Tutorial Participation

Assessment Type <sup>1</sup>: Participatory task

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Throughout Session**

Weighting: **20%**

Tutorial (online) includes responses to written tutorial questions, answering questions, asking questions and engaging with other students and tutor and following tutorial discussion.

On successful completion you will be able to:

- Identify the features of the Australian legal system including the law of contract and distinguish business organisations based on their legal characteristics.
- Explain how companies are formed, differentiate between types of companies, and analyse and evaluate the role and obligations of directors.
- Examine 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.

## Media Assignment

Assessment Type <sup>1</sup>: Qualitative analysis task

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Week 8**

Weighting: **20%**

This assessment involves a 1000 word written analysis of a current Australian newspaper/media article that relates to an aspect (topic, area, issue) of the material covered in the unit from Lecture 4 forward.

On successful completion you will be able to:

- Identify the features of the Australian legal system including the law of contract and distinguish business organisations based on their legal characteristics.
- Explain how companies are formed, differentiate between types of companies, and analyse and evaluate the role and obligations of directors.

## Final Examination

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 40 hours

Due: **University Exam Period**

Weighting: **60%**

A two-hour online examination will be held during the University Examination Period.

On successful completion you will be able to:

- Identify the features of the Australian legal system including the law of contract and distinguish business organisations based on their legal characteristics.
- Explain how companies are formed, differentiate between types of companies, and analyse and evaluate the role and obligations of directors.
- Examine 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.

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<sup>1</sup> If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

<sup>2</sup> Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

## Delivery and Resources

### DELIVERY and RESOURCES

**Classes** will progress through the various Lecture Areas referred to in this Unit Guide. There may be some reorganisation, overlapping, and/or integration of areas to accommodate assessment, holiday scheduling, unit structure, delivery or class management.

The timetable for classes can be found on the University web site at:  
<http://www.timetables.mq.edu.au/>

**Required Text: Quilter, *Company Law Perspectives*, 4th ed. 2020**, Thomson Reuters (Lawbook Co.) – [referred to as **CLP 4<sup>th</sup> ed**]

**CLP 4<sup>th</sup> ed** will be available in the Macquarie University library. It can be purchased from the publishers Thomson Reuters via their website <https://legal.thomsonreuters.com.au/student/university/macquarie/>

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

After considering the Australian legal framework, tort law and contract 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 **CLP 4<sup>th</sup> ed**. Statutes 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)

Students should be ready to allocate at least 150 hours during session (in total) to ACCG2051. This includes all classes, assessment, personal study and other learning activities.

## Unit Schedule

### UNIT SCHEDULE

**Note that Lectures start in Week 1 and Tutorials start in Week 2**

**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 and structure.**

#### **Week 1 (Lecture 1)**

**Legal framework**

**Law of tort**

**Company Law Perspectives, 4th ed. 2020** [this is the required text and is referred to herein as

"CLP 4<sup>th</sup> ed"] Ch.1 and 3

**Week 2 (Lecture 2)**

Contract law

CLP 4<sup>th</sup> ed: Ch. 2

*Tutorial 1*

**Week 3 (Lecture 3)**

Contract law

Consumer protection

Agency

CLP 4<sup>th</sup> ed: Ch. 2, 4 and 34

*Tutorial 2*

**Business Organisations and the Corporate Framework**

Relevance for accounting and business professionals: Informed as to the choice of profit-making structure; importance of exposure and extent of business failure and personal liability; understanding key business advice and strategy; entrepreneurial interrelationships; knowledge of role and functions of with corporate regulator.

**Week 4 (Lecture 4)**

Comparison of business organisations

Partnership

Registration of companies – the role of ASIC

Types of companies

Consequences of registration

CLP 4<sup>th</sup> ed: Chs.5, 6, 7, 8 and 24

*Tutorial 3*

**Week 5 (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 4<sup>th</sup> ed: Ch. 9, 10, 11, 13, 14, 15, 16 and 17

## ***Tutorial 4***

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

Relevance for accounting and business professionals: Developing the ability to advise corporate clients, including individual directors and other managers; 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.

### **Week 6 (Lecture 6)**

Directors and corporate management

Directors fiduciary duties

CLP 4<sup>th</sup> ed: Ch.18 and 19

## ***Tutorial 5***

### **Week 7 (Lecture 7)**

Directors statutory duties and corporate governance

Financial and reporting obligations

Audit

CLP 4<sup>th</sup> ed: Ch. 20, 21, 22, 23

## ***Tutorial 6***

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**University Break**  
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### **Shareholders and the corporate market**

Relevance for accounting and business professionals: Ability to advise clients on the nature of the corporate marketplace; foundation information for providing professional investment advice to clients; awareness of key issues in company meetings; grounding for professional advisory role and introduction to current market issues in the acquisition and disposal of shares; introduction to shareholder equity issues including protection of rights.

### **Week 8 (Lecture 8)**

Members rights

Company meetings



**CLP 4<sup>th</sup> ed: Ch. 25 and 26**

***Tutorial 7***

**Week 9 (Lecture 9)**

**Takeovers**

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

**CLP 4<sup>th</sup> ed: Ch. 27 and 28**

***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 the accounting and legal professions; understanding important signs and warnings of insolvency for both personal and business advisory use; being alert to insolvency options; understand legal alternatives and advise companies and their directors on effective insolvency planning and remedial action.**

**Week 10 (Lecture 10)**

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

**Restructuring**

**CLP 4<sup>th</sup> ed: Ch. 29, 30, 31 and 32**

***Tutorial 9***

**Week 11 (Lecture 11)**

**Liquidation**

**The role and responsibilities of liquidators**

**CLP 4<sup>th</sup> ed: Ch.31**

***Tutorial 10***

**Week 12 (Lecture 12)**

**Summary and Revision**

***Tutorial 11***

**Week 13 (No Lecture)**

***Tutorial 12***

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/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/study/getting-started/student-conduct>

## Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) 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](https://ask.mq.edu.au) or if you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Student Support

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

## Learning Skills

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

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

## 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)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@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.

## Changes from Previous Offering

In Session 2 2020 delivery of this unit will be structured to include both on-campus and online classes.