



BUSL301

Corporations Law

S1 Evening 2013

Accounting and Corporate Governance

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General Information

Unit convenor and teaching staff

Unit Convenor

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Credit points

3

Prerequisites

39cp including BUSL250

Corequisites

Co-badged status

Unit description

This unit introduces students to corporate regulation in Australia and aims to create an awareness of corporate issues. It builds on the material covered in a general business law unit. Areas covered include: company formation; the legal status of a company; duties of directors; rights of members; and approaches to corporate insolvency. Assessment comprises tutorial participation, a short test, a mid-semester examination and a final examination. In this unit students gain an understanding of, and an interest in, corporate regulation, the role of companies and current corporate issues. The outcomes achieved assist in the development of critical thinking, problem solving, effective communication and adept professional judgement. The contents of and the issues raised in the unit, are of benefit to all students and particularly to those intending to enter commercial practice in accountancy or similar professions.

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:

Comprehend the characteristics of the various forms of business organisations and the Australian corporate legislative framework.

Ability to understand how companies are formed, different types of companies and the relevance of the company constitution

Effectively recognise and gain knowledge of corporate management issues, in particular the role and obligations of directors.

Capability to understand 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 corporations law and identify and solve the legal problems associated with these.

Assessment Tasks

Name	Weighting	Due	Groupwork/Individual	Short Extension	AI Approach
Class participation	20%	Ongoing		No	
Class Test	20%	Week 7		No	
Final Examination	60%	University Examination Period		No	

Class participation

Due: **Ongoing**

Weighting: **20%**

Groupwork/Individual:

Short extension ³: No

AI Approach:

Participation involves preparation, attendance and contribution to the tutorial. See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Comprehend the characteristics of the various forms of business organisations and the Australian corporate legislative framework.
- Ability to understand how companies are formed, different types of companies and the relevance of the company constitution
- Effectively recognise and gain knowledge of corporate management issues, in particular the role and obligations of directors.
- Capability to understand 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

corporations law and identify and solve the legal problems associated with these.

Class Test

Due: **Week 7**

Weighting: **20%**

Groupwork/Individual:

Short extension ³: No

AI Approach:

The class test will be held in your allocated tutorial in the week beginning 8 April. There is no lecture in this week. See Assessment Guide on iLearn for more information.

Note the following:

(1) If a supplementary test is granted the material from which it is drawn will correspond to the original test, however all other aspects (including: format, length, type and number of questions, style) may differ;

(2) Only one supplementary test will be scheduled (see iLearn unit guide for further details).

On successful completion you will be able to:

- Comprehend the characteristics of the various forms of business organisations and the Australian corporate legislative framework.
- Ability to understand how companies are formed, different types of companies and the relevance of the company constitution
- Effectively recognise and gain knowledge of corporate management issues, in particular the role and obligations of directors.
- Analyse the legal aspects of particular sets of facts or case studies relevant to corporations law and identify and solve the legal problems associated with these.

Final Examination

Due: **University Examination Period**

Weighting: **60%**

Groupwork/Individual:

Short extension ³: No

AI Approach:

Examination Conditions: Formal close book exam. 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**.

On successful completion you will be able to:

- Comprehend the characteristics of the various forms of business organisations and the Australian corporate legislative framework.
- Ability to understand how companies are formed, different types of companies and the relevance of the company constitution
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- Capability to understand how shareholders rights are protected and how the Corporations Act regulates acquisition and disposal of shares.
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- Analyse the legal aspects of particular sets of facts or case studies relevant to corporations law and identify and solve the legal problems associated with these.

Delivery and Resources

Classes

Students will attend one lecture (time allotted 2 hours) and one tutorial (time allotted 1 hour) each week. There may be some reorganisation, overlapping, and/or integration of areas to accommodate assessment and unit structure. Lectures begin in the first week – tutorials begin in week 2 (see iLearn for practice/tutorial questions) – the sequencing of the lecture program and the unit content will allow you to develop your understanding of company law as the unit progresses. Note that together with the designated practice/tutorial questions, the tutorials 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 tutorials.

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, Thomson Reuters (Lawbook Co.) 2012.

Lipton, Herzberg and Welsh, Understanding Company Law, Thomson Reuters (Lawbook Co.) 16th ed. 2012.

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

After considering the law of partnership 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 2012](#). Both statutes (the Partnership Act and the Corporations Act) 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.smh.com.au
- www.camac.gov.au
- 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.

Technology Used and Required

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

Unit Web Page

- Unit material is available on the learning management system (iLearn)
- There is a web page for this unit.

Learning and Teaching Activities

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

What is expected of students – criteria for success

Students should take responsibility for their own learning and this will incorporate reading as required, attendance at lectures and tutorials, 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 or exam you have to be able to use the law to solve problems [either multiple-choice or written answer style].

Unit Schedule

Week	Lecture Areas
1	<p><u>COMPARISON OF BUSINESS ORGANISATIONS</u></p> <p>Agency; Associations; Sole Traders; Partnerships</p> <p>Quilter, Company Law Perspectives, Thomson Reuters (Lawbook Co.) 2012 [referred to herein as "Q"] Chs.1 and 2</p> <p>Lipton, Herzberg and Welsh, Understanding Company Law, Thomson Reuters (Lawbook Co.) 16th ed. 2012 [referred to herein as "L&H"] Ch.2</p> <p>Partnership Act: www.austlii.edu.au/au/legis/nsw/consol_act/pa1892154/</p>
2	<p><u>HISTORY AND LEGISLATIVE FRAMEWORK, REGISTRATION AND TYPES OF COMPANIES</u></p> <p>Evolution of modern company and Australian developments: Q Ch. 3 L & H Ch.1;</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>
3	<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> <p>Promoters and pre-registration contracts: Q Ch. 9 L&H Ch 6</p>
4	<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>
5	<p><u>DIRECTORS and MANAGEMENT</u></p> <p>Q Ch. 15 L&H Ch 12</p>
6	<p><u>DIRECTORS DUTIES and CORPORATE GOVERNANCE</u></p> <p>Q Chs. 16, 17 and 18 L&H Ch 13</p>
7	<p>NO LECTURES WILL BE HELD IN THIS WEEK. THERE WILL BE A CLASS TEST HELD IN YOUR ALLOCATED TUTORIAL.</p>
8	<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>

9	<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
10	<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
11	<u>RESTRUCTURING & LIQUIDATION (PART 1)</u> Insolvency Arrangements and Reconstructions; Receivership; Voluntary Administration Q Chs. 26, 27, 28 and 29 L&H Chs. 22, 23, and 24
12	<u>RESTRUCTURING AND LIQUIDATION (PART 2)</u> Liquidation - Insolvent trading Q Ch. 30 L&H Ch. 25 (for insolvent trading Ch.13)
13	<u>OVERVIEW AND REVISION</u>

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://www.mq.edu.au/policy/docs/academic_honesty/policy.html

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

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

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

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

Special Consideration Policy http://www.mq.edu.au/policy/docs/special_consideration/policy.html

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

Student Support

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at: <http://students.mq.edu.au/support/>

UniWISE provides:

- Online learning resources and academic skills workshops <http://www.students.mq.edu.a>

[u/support/learning_skills/](#)

- Personal assistance with your learning & study related questions.
- The Learning Help Desk is located in the Library foyer (level 2).
- Online and on-campus orientation events run by Mentors@Macquarie.

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

Details of these services can be accessed at <http://www.student.mq.edu.au/ses/>.

IT Help

If you wish to receive IT help, we would be glad to assist you at <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 and it outlines what can be done.

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

- Comprehend the characteristics of the various forms of business organisations and the Australian corporate legislative framework.
- Ability to understand how companies are formed, different types of companies and the relevance of the company constitution
- Effectively recognise and gain knowledge of corporate management issues, in particular the role and obligations of directors.
- Capability to understand 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 corporations law and identify and solve the legal problems associated with these.

Assessment tasks

- Class participation
- Class Test
- 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

- Effectively recognise and gain knowledge of corporate management issues, in particular the role and obligations of directors.
- Capability to understand 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 corporations law and identify and solve the legal problems associated with these.

Assessment tasks

- Class participation
- Class Test
- Final Examination

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Comprehend the characteristics of the various forms of business organisations and the

Australian corporate legislative framework.

- Ability to understand how companies are formed, different types of companies and the relevance of the company constitution
- Effectively recognise and gain knowledge of corporate management issues, in particular the role and obligations of directors.
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Assessment tasks

- Class participation
- Class Test
- 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

- Effectively recognise and gain knowledge of corporate management issues, in particular the role and obligations of directors.
- Capability to understand 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 corporations law and identify and solve the legal problems associated with these.

Assessment tasks

- Class participation
- Class Test
- Final Examination

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 (not a compulsory requirement of this unit) 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.