



# BUSL301

## Corporations Law

S1 Day 2019

*Dept of Accounting & Corporate Governance*

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### Disclaimer

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## General Information

### Unit convenor and teaching staff

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By appointment

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#### Moderator

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4ER - 316

### Credit points

3

### Prerequisites

(39cp at 100 level or above) 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. 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 business organisations and the Australian corporate legislative framework including 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.

## General Assessment Information

	Expected Workload - Activities	Hours
1	Weekly Seminars/Lectures/Tutorials	36
2	Assessment Task 1 (tutorial participation + preparation)	36
3	Assessment Task 2 (class test + preparation)	12
4	Assessment Task 3 (final examination + preparation)	42
5	Reading required material/self-study	24
	TOTAL	150

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>1. Assessed Coursework</u>	20%	No	Ongoing

Name	Weighting	Hurdle	Due
<u>2. Class Test</u>	20%	No	Monday 8 May 2019
<u>3. Final Exam</u>	60%	No	Monday 3 June 2019

## 1. Assessed Coursework

Due: **Ongoing**

Weighting: **20%**

Assessed Coursework involves participation in the tutorial classes. Preparation, attendance and contribution to the tutorial are required. 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 tutorial participation will be reduced by 50%.

On successful completion you will be able to:

- Comprehend the characteristics of business organisations and the Australian corporate legislative framework including 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.

## 2. Class Test

Due: **Monday 8 May 2019**

Weighting: **20%**

The test will be held in class on Monday 8/5/19 (Week 7 of Session).

See Assessment Guide on iLearn for more information.

No extensions will be granted. This penalty does not apply for cases in which a **Special Consideration application** is made and **approved**.

On successful completion you will be able to:

- Comprehend the characteristics of business organisations and the Australian corporate

legislative framework including 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.

### 3. Final Exam

Due: **Monday 3 June 2019**

Weighting: **60%**

There will be a Final Exam administered in the final week of session (3rd June in Week 13). See Assessment Guide on iLearn for more information.

The Final Exam will be closed book with specified materials permitted as follows:

- \* An A4 sheet of paper with handwritten notes (not photocopied, not typed) – writing can be on both sides – students to put name and ID at top of page (this will be collected at the end of the test).
- \* The Required Text for the Unit: Company Law Perspectives 3rd ed., 2017 (hard copy only – not photocopied, not electronic version) - this can be annotated (handwritten notes on pages are permitted) and pages can be tabbed for reference – but the book must not contain any additional material (such as sheets, pages, or notes) whether attached or loose.

No extensions will be granted. This penalty does not apply for cases in which an application for Special Consideration is made and approved.

If a Supplementary Examination is granted as a result of the Special Consideration process it will be of a similar format to the final examination.

On successful completion you will be able to:

- Comprehend the characteristics of business organisations and the Australian corporate legislative framework including 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.

## Delivery and Resources

### Classes

Students will attend lectures and tutorials - each lecture and tutorial has been scheduled as a block (3 hours) - the class will commence with the relevant lecture topic and this will be followed by the tutorial. 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 iLearn and on the University web site at:  
<http://www.timetables.mq.edu.au/>

### Prizes

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

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

### Required and Recommended Texts and/or Materials

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

The following is not required but may assist in understanding unit content and assessment tasks: Lipton, Herzberg and Welsh, *Understanding Company Law*, Thomson Reuters (Lawbook Co.).

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 3rd ed. 2017**. Both statutes (the Partnership Act and the Corporations Act) may be viewed in full at [www.austlii.edu.au](http://www.austlii.edu.au)

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

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)

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 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 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

Lecture Areas
<p><b>COMPARISON OF BUSINESS ORGANISATIONS</b></p> <p>Agency; Associations; Sole Traders; Partnerships</p> <p>Quilter, <b>Company Law Perspectives, 3rd ed. 2017</b>, Thomson Reuters (Lawbook Co.) - [referred to herein as "Q"] <b>Ch. 4 and 5</b></p> <p>The following is not required but may assist in understanding unit content and accordingly chapter references have been included: Lipton, Herzberg and Welton, <b>Understanding Company Law</b>, Thomson Reuters (Lawbook Co.) 18th ed. 2016 [referred to herein as "L&amp;H"] Ch.2</p>
<p><b>HISTORY AND LEGISLATIVE FRAMEWORK, REGISTRATION AND TYPES OF COMPANIES</b></p> <p>Evolution of modern company and Australian developments: <b>Q Ch. 6</b>; L&amp;H Ch.1;</p> <p>Applying for registration and the consequences of incorporation: <b>Q Ch. 8</b>; L&amp;H Ch.2</p> <p>Types of Companies: <b>Q Ch. 7</b>; L&amp;H Ch.3</p> <p>Corporations Act: <a href="http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/">www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/</a></p>
<p><b>THE COMPANY CONSTITUTION AND THE RELATIONSHIP BETWEEN THE COMPANY AND OUTSIDERS</b></p> <p>The company constitution and the replaceable rules: <b>Q Ch. 9</b>; L&amp;H Ch 4</p> <p>Company liability in contract, tort and crime: <b>Q Ch. 10 and 11</b>; L&amp;H Ch 5</p> <p>Promoters and pre-registration contracts: <b>Q Ch. 12</b>; L&amp;H Ch 6</p>

**CORPORATE FINANCING and DIVIDENDS**

Disclosure to Investors – fundraising: **Q Ch. 14**; L&H Ch 7

Share capital: **Q Ch. 15**; L&H Ch 8

Membership: **Q Ch. 13**; L&H Ch 9

Debentures and Loan Capital: **Q Ch. 17**; L&H Ch 11

Dividends: **Q Ch. 16**; L&H Ch 10

**DIRECTORS and MANAGEMENT**

**Q Ch. 18**; L&H Ch 12

**DIRECTORS DUTIES and CORPORATE GOVERNANCE**

**Q Ch. 19, 20 and 21**; L&H Ch 13

**DIRECTORS DUTIES (cont.); FINANCIAL and REPORTING OBLIGATIONS; AUDIT**

Duties of directors and other officers (continued): **Q Ch. 19, 20 and 21**; L&H Ch. 13

Financial and Reporting Obligations of Directors: **Q Ch. 22**; L&H Ch. 15

The Role of Auditors and Issues of Audit Liability: **Q Ch. 23**; L&H Ch. 16

ASIC Investigation: **Q Ch. 24**; L&H Ch 21

**- In Class Test -**

**Mid Session Break**

**MEETINGS AND MEMBERS RIGHTS**

Members Rights and the position of the Minority: **Q Ch. 25**; L&H Ch. 17

Members Meetings: **Q Ch. 26**; L&H Ch. 14

**TAKEOVERS; FINANCIAL SERVICES AND MARKETS**

Takeovers: **Q Ch. 27**; L&H Ch. 18

Financial Services and Markets: **Q Ch. 28**; L&H Ch. 19

**RESTRUCTURING & LIQUIDATION (PART 1)**

Insolvency Arrangements and Reconstructions; Receivership; Voluntary Administration **Q Ch. 29, 30, 31 and 32**; L&H Ch. 22, 23, and 24

**RESTRUCTURING AND LIQUIDATION (PART 2)**

Liquidation - Insolvent trading **Q Ch. 33**; L&H Ch. 25 (for insolvent trading Ch.13)



## 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.*)

Undergraduate 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 <http://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 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)

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.

## 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 business organisations and the Australian corporate legislative framework including 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**

- 1. Assessed Coursework
- 2. Class Test
- 3. Final Exam

## **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**

- 1. Assessed Coursework
- 2. Class Test
- 3. Final Exam

## **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 business organisations and the Australian corporate

legislative framework including 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.
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## **Assessment tasks**

- 1. Assessed Coursework
- 2. Class Test
- 3. Final Exam

## **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**

- 1. Assessed Coursework
- 2. Class Test
- 3. Final Exam

## Changes from Previous Offering

In the previous session the final examination had taken place during the University examination period - in this session the final examination will take place in class in the final week of session (Week 13)

## Research & Practice, Global & 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. We promote sustainability by developing ability in students to research and locate information within the legal context as it relates to the accounting discipline. We aim to provide students with an opportunity to obtain skills which will benefit them throughout their career.

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