ACCG614

Company Law

City S2 Day 2019

Dept of Accounting & Corporate Governance

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General Information

Unit convenor and teaching staff

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Moderator
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Credit points
4

Prerequisites
Admission to MAccg(Adv) or MAccg or MAcc(CPA) or MAcc(Prof) or MAcc(Prof)MCom or MIntAccg or MCom or MEc or MBioTechMCom

Corequisites

Co-badged status

Unit description
This unit introduces students to the Australian legal system, including relevant commercial legal principles and corporate law and regulation. After dealing with core aspects of rights and liabilities, and the characteristics of business organisations generally, the unit focuses on Australian company law. Students develop an understanding of the nature and function of a company, as well as the important issues concerning shareholder rights and the duties of directors. The unit also addresses issues relevant to companies and individuals in financial difficulty and insolvency law. Classes will include consideration of relevant legal issues, case law, and important sections of the Corporations Act 2001 (Cth) and other relevant legislation.

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 characteristics of the commercial legal environment and the Australian corporate legislative framework including the characteristics and application of the law of contract

Distinguish between business organisations and assess how companies are formed, 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.

Critically assess corporate insolvency in the current regulatory environment.

Assessment Tasks

Name	Weighting	Hurdle	Due
Presentation	15%	No	Ongoing
Class Test	20%	No	Week beginning 26/8/2019
Assignment	15%	No	Ongoing
Final Examination	50%	No	University Examination Period

Presentation

Due: **Ongoing**
Weighting: **15%**

Each student will deliver a presentation in class. Presentations must contain accurate content and have clear structure; the student must effectively communicate and engage with the class. More information as to the presentation is available in the Assessment Guide on iLearn.

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:

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework including the characteristics and application of the law of contract
- Distinguish between business organisations and assess how companies are formed, 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.
- Critically assess corporate insolvency in the current regulatory environment.

Class Test

Due: **Week beginning 26/8/2019**
Weighting: **20%**

The test will be administered in your seminar class in Week 5 of Session. Students must take the test in their allocated/scheduled seminar.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework including the characteristics and application of the law of contract

Assignment

Due: **Ongoing**
Weighting: **15%**

In this assignment students are required to summarise and analyse the relevant issues arising from their presentation topic. It must show evidence of research. It must be **submitted via iLearn/Turnitin no later than 5 pm on the 7th day following your date of presentation [that is, one week after your presentation]**. **A hard-copy of the assignment must also be submitted to your lecturer (handed-in) within the same time-frame [that is, one week after your presentation]**.

No extensions will be granted. Late tasks will be accepted up to 48 hours after the submission deadline. 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 a **Special Consideration application** is made and **approved**.

See Assessment Guide on iLearn for more information.

On successful completion you will be able to:

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework including the characteristics and application of the law of contract
- Distinguish between business organisations and assess how companies are formed, 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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Final Examination

Due: **University Examination Period**
Weighting: **50%**

Examination Conditions: Formal, invigilated examination . 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:

- Effectively recognise corporate management issues, in particular formulate an understanding of the role and obligations of directors.
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Delivery and Resources

Classes

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 or class management. Note that together with the designated practice questions, the classes 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 classes.

Required and Recommended Texts and/or Materials

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

Recommended: Lipton, Herzberg and Welsh, *Understanding Company Law*, Thomson Reuters (Lawbook Co.)

Both of the above can be purchased from the Macquarie University Co-op Bookshop, and are 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

Useful websites

- www.asic.gov.au
- www.asx.com.au
- 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 text.

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

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

There is a web page for this unit.

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

Students should take responsibility for their own learning and this will incorporate reading as required, attendance at seminars, 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 commercial and company 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 your test, presentation, assignment, or exam, you have to be able to use the law to solve problems, communicate, analyse and explain.

Students should be ready to allocate at least 150 hours during semester time for ACCG 614. This includes all classes, assessment, personal study and other learning activities. Here is a sample breakdown of a student workload:

	Activities	Hours
1	Seminars including required assessment (3×13)	39
2	Assessment Task 1 (self-study plus preparation)	20
3	Assessment Task 2 (Self-study plus preparation)	20
3	Assessment Task 3 (self-study plus preparation)	21
4	Assessment Task 4 (self-study plus preparation)	50
	Total	**150**

Unit Schedule

	Lecture Areas
	1 **LEGAL FRAMEWORK AND LEGAL SYSTEM** **LAW OF TORT** **Quilter**, **Company Law Perspectives**, **3rd ed**, **2017** Thomson Reuters (Lawbook Co.) [referred to herein as "Q"] Ch. 1 and 3
	2 **CONTRACT LAW** Q Ch. 2

3

CONTRACT LAW

CONSUMER PROTECTION

AGENCY

Q Ch.2, Ch. 34, Ch.4

4

COMPARISON OF BUSINESS ORGANISATIONS

Associations; Sole Traders; Partnerships

Q Ch. 5

To assist students who want to read more widely references from Lipton, Herzberg and Welsh, Understanding Company Law, Thomson Reuters (Lawbook Co.) are also now included - [referred to herein as "L&H"] Ch.2

Partnership Act: www.austlii.edu.au/au/legis/nsw/consol_act/pa1892154/

CORPORATE HISTORY AND LEGISLATIVE FRAMEWORK

Evolution of modern company and Australian developments: Q Ch. 6; L&H Ch.1

5

REGISTRATION AND TYPES OF COMPANIES

Applying for registration and the consequences of incorporation: Q Ch.8; L&H Ch.2

Types of Companies: Q Ch. 7; L&H Ch.3

Corporations Act: www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/

THE COMPANY CONSTITUTION AND THE RELATIONSHIP BETWEEN THE COMPANY AND OUTSIDERS

The company constitution and the replaceable rules: Q Ch. 9; L&H Ch 4

Company liability in contract, tort and crime: Q Ch. 10 and 11; L&H Ch 5

6

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

7

DIRECTORS and MANAGEMENT

Q Ch. 18; L&H Ch 12

8

DIRECTORS DUTIES and CORPORATE GOVERNANCE

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

	9 **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
	10 **MEETINGS AND MEMBERS RIGHTS** Members Meetings: Q Ch. 26; L&H Ch.14 Members Rights and the position of the Minority: Q Ch. 25; L&H Ch. 17
	11 **TAKEOVERS; FINANCIAL SERVICES AND MARKETS** Takeovers: Q Ch. 27; L&H Ch. 18 Financial Services and Markets: Q Ch. 28; L&H Ch. 19
	12 **INSOLVENCY and RESTRUCTURING** Insolvency Arrangements and Reconstructions; Receivership; Voluntary Administration Q Chs. 29, 30, 31 and 32; L&H Chs. 22, 23, and 24
	13 **LIQUIDATION** 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). 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). 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).

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 or if you are a Global MBA student contact globalmba.support@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

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/

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) 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

If you are a Global MBA student contact 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/.

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 characteristics of the commercial legal environment and the Australian corporate legislative framework including the characteristics and application of the law of contract
- Distinguish between business organisations and assess how companies are formed, 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.
- Critically assess corporate insolvency in the current regulatory environment.

Assessment tasks

- Presentation
- Class Test
- Assignment
- 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

- Examine the characteristics of the commercial legal environment and the Australian corporate legislative framework including the characteristics and application of the law of contract
- Distinguish between business organisations and assess how companies are formed, 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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Assessment tasks

- Presentation
- Class Test
- 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 characteristics of the commercial legal environment and the Australian corporate legislative framework including the characteristics and application of the law of contract
- Distinguish between business organisations and assess how companies are formed, 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.
- Critically assess corporate insolvency in the current regulatory environment.

Assessment tasks

- Presentation
- Class Test
- Assignment
- Final Examination

Changes from Previous Offering

The marks attributed to each of the presentation and the assignment have been reduced from 20% to 15% and the final examination has been increased from 40% to 50%.

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. We promote sustainability by developing ability in students to research and locate information within legal and/or accounting disciplines. 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 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 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.