

MACQUARIE UNIVERSITY



FACULTY OF BUSINESS AND ECONOMICS

**POSTGRADUATE DIPLOMA
IN ACCOUNTING
and
MASTER OF ACCOUNTING**

UNIT OUTLINE

ACCG854 COMPANY LAW

Trimester 1, 2009

**ACCG854 - COMPANY LAW – FACULTY OF BUSINESS AND ECONOMICS
UNIT OUTLINE AND READING MATERIALS - TRIMESTER 1, 2009**

ABOUT THIS UNIT

The aim of this unit is to introduce students to corporate regulation in Australia and to create an awareness of corporate issues. Lectures will focus on relevant issues, cases and sections. Issues such as how to prepare for exams and how to maximise grades will be addressed.

TEACHING STAFF

Lecturer in Charge:

Michael Quilter – W3A432 - tel: 98508456 – email:

Lecturer:

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CLASSES

Classes begin in the week commencing 19th January and finish in the week ending 10th April. Monday 26th January is a public holiday during teaching time. Students will be advised regarding any alternative class arrangements for this day. The timetable for classes can be found on the University web site at: <http://www.accg.mq.edu.au/ss/macc/examinations>

Classes will progress through the various Lecture Areas referred to in this Outline. There may be some reorganisation, overlapping, and/or integration of areas to accommodate assessment and unit structure.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Michael Quilter, The Company Law Notes, Lawbook Co. 3rd ed. 2008. This is referred to as Q herein.

Lipton and Herzberg, Understanding Company Law, Lawbook Co. 14th ed. 2008. This is referred to as L&H herein.

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 The Company Law Notes 3rd edition 2008.** Both statutes (the Partnership Act and the Corporations Act) may be viewed in full at www.austlii.edu.au (for the Partnership Act go to “NSW”, then “Consolidated Acts”. For the Corporations Act, go to “Commonwealth”, then “Consolidated Acts”).

Useful websites

www.lipton-herzberg.com.au

www.asic.gov.au

www.asx.com.au

www.takeovers.gov.au

www.smh.com.au

LEARNING OBJECTIVES AND OUTCOMES

Lectures will focus on relevant issues, cases and sections. Issues such as how to prepare for exams and how to maximise grades will be addressed. Students will be alerted to the importance of skills that will assist learning and be exposed to basic **generic (workplace) skills** that will assist in the development of a successful professional career. Examples include:

- * responding and communicating in class (workplace skills: teamwork, communication, problem-solving, cooperation and the ability to build and maintain professional relations)
- * the ability to comprehend, digest and apply unit content (workplace skills: setting effective and attainable goals, gathering material, creative thinking and exploring new ideas and viewpoints)
- * awareness, perception and effective note-taking in lectures (workplace skills: critical analysis, client interviews and peer meetings)

Overall the **aim of this unit** is to introduce students to corporate regulation in Australia and to create an awareness of corporate issues.

The unit aims to assist students to:

- * Understand the nature of, and distinguish between, the various forms of business organisations.
- * Understand the past and present legislative framework in relation to the creation and regulation of companies.
- * Understand how companies are formed and be able to identify the distinctions between different types of companies.
- * Understand the nature of a company's constitution and how it affects the company's activities.
- * Understand the ways in which a company may raise finance.
- * Understand issues concerning corporate management, in particular the role and obligations of directors.
- * Be aware in a general way of corporate governance matters including the impact of relevant ethical issues.
- * Understand how shareholders rights are protected.
- * Understand how the Corporations Act regulates acquisition and disposal of shares.
- * Understand the impact of insolvency on a company and the different ways it may be addressed and dealt with in the current regulatory environment.
- * Apply the law in an ordered manner for the purposes of analysing and solving problems relating to company law.
- * Develop an interest in, and an understanding of, current corporate issues.

The unit aims to encourage students to develop the following capabilities:

- * Discipline Specific Knowledge and Skills
- * Critical, Analytical and Integrative Thinking
- * Problem Solving and Research Capability
- * Creativity and Innovation
- * Effective Communication
- * Engaged and Ethical Local and Global citizens
- * Socially and Environmentally Active and Responsible
- * Capable of Professional and Personal Judgement and Initiative
- * Commitment to Continuous Learning

TEACHING AND LEARNING STRATEGY

This unit is taught by way of lecture/seminar style classes. Practice questions are discussed to enable application of content.

What is expected of students

Students should take responsibility for their own learning and this will incorporate reading as required, attendance at lectures and reflection on their abilities. The capacity of each student to digest material will vary and accordingly self assessment is necessary. The amount of focussed and effective effort a student puts in to preparation and study will generally be reflected in their performance.

Attendance

Whilst there are no marks given specifically for attendance where any issue arises as to a students performance it may be necessary to consider whether the issue of attendance is relevant. In a simple economic sense students pay for instruction and should attend classes to get the benefit and help of their lecturer.

RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES

Students are required to obtain knowledge of the relevant law and be able to apply that knowledge in a problem-solving context. Assessment procedures will test both unit content and application of that content.

Assessment

50% of assessment will take place during Trimester – this will include a short in-class examination [5%] (to enable students to test their understanding of the unit at an early stage), a mid trimester examination [35%] and a class presentation [10%]. There will be a final examination worth 50% of total assessment. Examinations will incorporate multiple-choice and/or problem-style questions.

Class Presentation

Students should regard the class presentation as an opportunity to develop an important workplace skill as well as an opportunity to prepare a particular area of the unit in more detail. Marks for class presentations will be determined by the lecturer based upon their perception of the presentation as having achieved, or otherwise, its purpose. Examples of the type of matters that may be comprised in any discretionary assessment of a presentation include: clarity, content, use of resources or aids, interest, timing, currency, originality.

Submission of work

Whenever a student presents any work for assessment (mid and final exams and the class presentation) they should ensure that any applicable conditions are satisfied and that the work is done to the best of their ability. Assessment is an opportunity for students to show that they are interested in the material and that they have successfully developed a method of study and can apply the content studied.

Examinations

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

www.accg.mq.edu.au/ss/macc/examinations

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available on the following website: www.accg.mq.edu.au/ss/macc/postgraduate/forms

Whilst there is always room to consider a student's special needs in exceptional circumstances note that supplementary exams will only be granted in cases where the student suffers severe disruption or has a serious medical condition and does not sit the exam. Please note that even though a medical certificate may be provided the issue of whether a supplementary exam is warranted (and the issue of special consideration generally) remains within the discretion of the convenor of the unit. There is no automatic right to a supplementary exam merely because an application for special consideration has been lodged.

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will normally be scheduled after the conclusion of the official examination period.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching trimester (the final day of the official examination period).

PLAGIARISM AND COPYRIGHT

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

Whereas **restricted photocopying** of books and articles is permissible for the purposes of study it is a breach of the publishers and/or authors **copyright** (and of the Copyright Act) to photocopy (or to arrange the photocopying of) substantial parts of works without the copyright owners permission.

STUDENT SUPPORT SERVICES

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

LECTURE AREA 1 - NON-CORPORATE BUSINESS ORGANISATIONS

Q Topics 1 and 2 L&H Ch.2

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

LECTURE AREA 2 - HISTORY AND LEGISLATIVE FRAMEWORK, REGISTRATION AND TYPES OF COMPANIES

Evolution of modern company and Australian developments:

Q Topic 3 L & H Ch.1

Applying for registration and the consequences of incorporation:

Q Topic 5 L & H Ch.2

Types of Companies:

Q Topic 4 L & H Ch.3

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

LECTURE AREA 3 - THE COMPANY CONSTITUTION AND THE RELATIONSHIP BETWEEN THE COMPANY AND OUTSIDERS

The company constitution and the replaceable rules:

Q Topic 6 L&H Ch 4

Company liability in contract, tort and crime:

Q Topics 7 and 8 L&H Ch 5

Promoters and pre-registration contracts:

Q Topic 9 L&H Ch 6

LECTURE AREA 4 - CORPORATE FINANCING

Disclosure to Investors – fundraising:

Q Topic 11 L&H Ch 7

Share capital:

Q Topic 12 L&H Ch 8

Membership:

Q Topic 10 L&H Ch 9

Debentures and Loan Capital:

Q Topic 14 L&H Ch 11

LECTURE AREA 5 - DIVIDENDS; FINANCIAL OBLIGATIONS; AUDIT and ASIC INVESTIGATION

Dividends:

Q Topic 13 L&H Ch 10

Financial and Reporting Obligations of Directors:

Q Topic 19 L&H Ch 15

The Role of Auditors and issues of Audit liability:

Q Topic 20 L&H Ch 16

ASIC Investigation:

Q Topic 21 L&H Ch 21

LECTURE AREA 6 - DIRECTORS and MANAGEMENT

Q Topic 15 L&H Ch 12

LECTURE AREA 7 - DIRECTORS DUTIES and CORPORATE GOVERNANCE

Q Topics 16, 17 and 18 L&H Ch 13

LECTURE AREA 8 - DIRECTORS DUTIES and CORPORATE GOVERNANCE,

Duties of directors and other officers (continued):

Q Topics 16, 17 and 18 L&H Ch 13

LECTURE AREA 9 - MEETINGS AND MEMBERS RIGHTS

Members Meetings:

Q Topic 23 L&H Ch.14

Members Rights and the position of the Minority:

Q Topic 22 L&H Ch.17

LECTURE AREA 10 – TAKEOVERS; FINANCIAL SERVICES AND MARKETS

Takeovers:

Q Topic 24 L&H Ch. 18

Financial Services and Markets:

Q Topic 25 L&H Ch. 19

LECTURE AREA 11 – RESTRUCTURING & LIQUIDATION (PART 1)

The concept of insolvency - Arrangements and Reconstructions – Receivership - Voluntary Administration.

Q Topics 26, 27, 28 and 29 L&H Chs.22, 23, and 24

LECTURE AREA 12 - RESTRUCTURING AND LIQUIDATION (PART 2)

Liquidation - Insolvent trading

Q Topic 30 L&H Ch. 25 (for insolvent trading Ch.13)

<p>There are short summaries of each of the Lecture Areas in this Unit at the end of the related Topic in The Company Law Notes (Q).</p>
