

LWZ 315 – Corporations Law

Credit points:	10	Mode:	Internal/External
Assumed knowledge:	NIL	Location:	Casuarina Campus
Pre-requisite(s):	LWZ100A or LAW101	Learning method:	Lectures/Tutorials/Assessments
Year:	2011		
Semester:	1	Unit coordinator:	Jeswynn Yogaratnam
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Unit Description

This unit which introduces students to the key principles in company law. As corporate *conscionability* is a safeguard to the many corporate debacles that continue to arise, this unit will take students through the various corporate debacles where the success and failings of corporations and the law will be examined and discussed. This will provide students with an inner reflective attitude on the topics outlined for this unit.

Learning Outcomes

On completion of this unit a student should be able to:

1. Identify the various types of legal entity (corporation, partnership, incorporated association, sole trader) through which commercial activity may be undertaken.
2. Understand the principles of company law and its relevance to every day commercial activity.
3. A good understanding of the internal and external rules that govern a company and its members.
4. Understand directors' duties well and the consequences of breach.
5. Identify and apply relevant sections of legislation and/or relevant case law to a given factual situation.

<i>Unit Information Template:</i> Version 4.0 13/11/09	<i>Administered:</i> TLQG	<i>Approved:</i> Senior DVC	<i>Next Review:</i> November 2010
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Teaching and Learning Strategies

1. Using a selection of case studies students will discuss the formation of a company and complete the documents required to register a company in Australia.
2. Active based learning through research on corporate debacles will enable students to learn breach of directors' duties and the relevant parts of Corporations Law with better understanding and retention of the law.
3. Specific tutorial questions throughout the entire unit develop, test for and reinforce students' knowledge of fundamental principles
4. All lectures are exam focused so please attend or listen to the WIMBA archive.

Participation

To complete this unit you are required to participate in the following:

This unit is delivered in both *internal* and *external* modes. Attendance at lectures and tutorials is not compulsory, but is highly recommended to those students interested in passing the subject.

Lectures – weekly, 2 hours:

Lectures are delivered each week at the Casuarina campus. These lectures are recorded and placed on the unit Learnline page. Internal students are expected to attend the lectures on campus, whereas external students should download and listen to the audio file. External students should allow at least 48 hours for lectures to be uploaded. There is nothing to stop internal students from downloading lectures or for external students to attend on campus lectures. Lectures may also be delivered live to external students using one of the virtual Wimba classrooms.

Tutorials – weekly, 1 hour (internal students) and 1:30 hours (external students):

Internal students should attend the tutorials each week at the Casuarina campus. External students should attend one of the online tutorials using the virtual Wimba classrooms. It is your responsibility to arrange your schedule and personal affairs so that you can attend tutorials.

Specific details of individual class times can be obtained by accessing the class timetable at: <http://skua.cdu.edu.au/swseven/>

Overview of Assessment

Item	Description/Focus	Value	Relates to learning outcomes
1.	Research based review/assessment and/or presentation - submit via Learnline	35 %	1,4
2.	Problem related assignment - submit via Learnline	15 %	1.4
3.	End of semester closed book exam - students are only allowed to refer to 2 pages of notes on A4 paper and the prescribed annotated legislation.	50%	1,2,3,4,5

Special Requirements

N/A

Resources

Required textbook(s)

Ciro T & Symes C, *Corporations Law in Principle* (8th ed, 2009).

Corporations Legislation 2010 – Thomson Reuters (please note that only this edition has an annotated layout, and students will be allowed to take it into the exam).

Required textbooks can be ordered from the CDU Bookshop through their website at www.cdu.edu.au/bookshop

Internet Resources

ASIC – www.asic.gov.au

Australasian Legal Information Institute:

<http://www.austlii.edu.au/>

Learnline (Online Learning System)

Learnline is Charles Darwin University's on-line learning system.

In this unit, Learnline will be used to:

- provide important announcements about the unit
- distribute lecture slides, and other study
- access feedback from tasks and grades for assessable work
- provide a communication point where you contribute to discussions as part of your assessment, and to interact with other students in the unit

You will need to connect to the Internet to access it, at <http://learnline.cdu.edu.au/>

Access to Learnline may not be available until Day 1 of Semester.

If this is your first time using Learnline, click on 'Student Learnline Support' in the left-hand navigation panel BEFORE logging in.

It is recommended that all students have access to regular and reliable broadband access to complete unit requirements.

e-Reserve

e-Reserve allows electronic copies of journal articles, book chapters and lecturer notes that have been recommended by a lecturer as part of their course reading requirements. You can access e-Reserve at <http://ereserve.cdu.edu.au.ezproxy.cdu.edu.au/>

This site is password protected. Your CDU student login will provide you access. You can then search for items by Lecturer, Unit Code, Title, Author, keyword, Year or Date if you have that information.

Learning Schedule

Duration / Module	Topics	Required readings or student learning activities to be completed	Assessments Due
Weeks 1	<p>Introduction to Company Law</p> <p>Administration & Introduction</p> <p>Accessing the <i>Corporations Law</i>; History; Legislative Framework; Registration; Role of ASIC</p> <p>Basic characteristics of a company</p> <p>Types of companies</p> <p>Comparison to Partnerships</p>	<p>Tony Ciro and Christopher Symes</p> <p>Chapters 1, 2 & 24</p>	
Week 2	<p>Registration and Corporate Personality</p> <p>Separate legal entity;</p> <p>Lifting the Veil of Incorporation:</p> <p>Common law</p> <p>Statute Law</p> <p>Lifting the veil on corporate groups</p> <p>Constitution and replaceable rules</p>	<p>Tony Ciro and Christopher Symes</p> <p>Chapters 3, 4 & 5</p>	<p>Monday – submission of group members for Assignment 1</p>
Weeks 3	<p>Company's constitution & Company's dealings with outsiders</p> <p>Basic characteristics of the constitution – rules on the constitution/replaceable rules</p> <p>Pre-registration dealings:</p> <p>Promoters' duties</p> <p>Pre-Registration contracts</p> <p>Post incorporation contracts and dealings</p> <p>Agency</p> <p>Liability for civil and criminal wrong</p>	<p>Tony Ciro and Christopher Symes</p> <p>Chapters 6, 7 & 8</p>	<p>Friday – submission of skeletal of Assignment 1 and work plan</p>
Week 4	<p>Corporate Governance (Directors I)</p>	<p>Tony Ciro and Christopher</p>	<p>Assignment 2 Question will</p>

Types of directors	Symes	be made available.
Functions and powers of the board	Chapters 9 & 10	
Procedures		
Appointment of directors		
Disqualification and termination of directorship		
Removal of directors		

Week 5	Corporate Governance (Directors II)	Tony Ciro and Christopher Symes	
	Corporate governance		
	Good faith and proper purpose		
	Conflicts of interest and disclosure	Chapters 6, 11, 12 & 13	
	Duties of care, skill and diligence		
	Remedies, penalties and exemption for breach of duty		

Mid-semester break

Week 6	Internal Management and Membership	Tony Ciro and Christopher Symes	
	Directors		
	The General Meeting		
	Registration of members	Chapter 6	
	Disclosure of interests in shares		Tuesday – submission of Assignment 1
	Transfer/transmission of shares		
	Liability of members		
	Cessation of membership		
Weeks 7	Presentation of Assignment 1		
Week 8	Corporate Governance (Members)	Tony Ciro and Christopher Symes	Feedback on Assignment 1
	Members' rights		
	Duties of controlling members:	Chapter 14	

	<p>The rule in <i>Foss v Harbottle</i> and exceptions</p> <p>Statutory remedies</p> <p>Statutory derivative action</p> <p>Meetings</p>		
	Share Capital	Tony Ciro and Christopher Symes	
Week 9	<p>Nature of shares</p> <p>Issue of shares</p> <p>Classes of shares</p> <p>Share capital transactions</p>	Chapter 16	
Week 10	<p>Dividends</p> <p>Payment of dividends</p> <p>Payment out profits</p> <p>Remedies for improper dividend payments</p>	<p>Tony Ciro and Christopher Symes</p> <p>Chapter 19</p>	Friday – submission of Assignment 2
Week 11	<p>Loan Capital</p> <p>Share Capital v/s Loan Capital</p> <p>Company charges</p> <p>Registration of charges</p>	<p>Tony Ciro and Christopher Symes</p> <p>Chapter 20</p>	
Week 12	<p>Fundraising & Corporate Insolvency</p> <p>Types of disclosure documents</p> <p>Lodgement of disclosure documents</p> <p>Powers of ASIC</p> <p>Liability for defects</p> <p>Receivership</p> <p>Voluntary Administration</p> <p>Liquidation</p> <p>Schemes of Arrangement</p>	<p>Tony Ciro and Christopher Symes</p> <p>Chapter s 21 & 24</p>	Feedback on Assignment 2

Week 13	Revision – exam focus session		
Weeks 14 & 15	Exams		

Assessment Item : 1

Description/Focus: Short research paper and presentation on a Corporate Debacle

Value: 35%

Due date: Tuesday, Week 6

Length: 2,500 (10% margin)

Preparation: Students have to submit a skeletal of the paper by Friday, Week 3. Students are required to navigate through the ASIC website to read some of the listed debacles there. Students are encouraged to subscribe to the free mailing list so you can receive weekly updates.

Presentation: Week 7

Assessment Guide: see next page

Assignment 1:

Paper – 25%

Presentation – 10%

Breakdown of marks allocated for the paper:

Points of discussion	Marks
Why did you choose the particular literature?	5
Identify the corporate scandal/debacle (background) What led to the scandal? Consider internal policies of company, if any. Was anyone made accountable?	15
Discuss legislation/case laws on point Remember you are writing this paper as Corporate Law advocate. It is imperative to demonstrate your understanding of the law when addressing the debacle.	20

<p>What could have been done to minimise/avoid such a scandal based on the circumstances of the debacle in question?</p> <p>Briefly, what are your views on the laws to protect shareholders/interested parties from such scandals?</p>	15
Is there a need to legislate on corporate governance?	5
Relied on a good refereed journal article/book/periodical, etc.	5
Good understanding of content of literature; issues well researched/discussed	10
Good academic writing style and well referenced according to Australian Guide to Legal Citation	5
Good team work - groups must choose a leader	10
Submission of skeletal and work plan	10

Presentation

<p>Powerpoint presentation is compulsory. Students must submit all powerpoint presentations on Friday, Week 6.</p> <p>Group members may decide on presentation options: one member presents; or all members present; or selected members present.</p>
<p>Presentations must be for a max of 10mins</p>
<p>Presentations must be clear, succinct and well sequenced. Only present the most salient points of from your paper. Remember you only have 10 minutes. Your task is to capture the attention of your audience with the legal content of your selected corporate debacle. This means you need to be able to simplify and summarise the law as applied to the debacle so everyone has an understanding of the factual and legal content discussed. Don't overkill during the presentation or you will lose the attention of the audience and the examiner.</p>

Assessment Item : 2

Description/Focus: Problem question based on case studies – the problem question will be released by Week 3

Value: 15%

Due date: Friday, Week 10

Length: 1,500 (10% margin)

Assessment criteria: This assignment evaluates students' analytical skills and application of law to facts. Students may apply the IRAC method of a systematic approach to resolving the legal issues. Write from the perspective of a corporate law advocate.

Please download Assignment Cover Sheet here:

<http://learnline.cdu.edu.au/support/ess/assignment.html>

CDU Graduate attributes

CDU graduate attributes refer to those skills, qualities and understandings that should be acquired by students during their time at the University regardless of their discipline of study. (See <http://www.cdu.edu.au/teachingandlearning/gradattributes.html>).

In this unit, the following graduate attributes are developed:

Attribute	Description	Learning outcomes
Acquisition	Can identify, retrieve, evaluate and use relevant information and current technologies to advance learning and execute work tasks.	1,2,4
Application	Is an efficient and innovative project planner and problem solver, capable of applying logical and critical thinking to problems across a range of disciplinary settings and has self-management skills that contribute to personal satisfaction and growth.	1,2,3,5
Creativity	Can conceive of imaginative and innovative responses to future orientated challenges and research.	1,3,5
Knowledge base	Has an understanding of the broad theoretical and technical concepts related to their discipline area, with relevant connections to industry, professional, and regional and indigenous knowledge.	1,2,3
Communication	Demonstrates oral, written, and effective listening skills as well as numerical, technical and graphic communication skills in a cross generational environment.	1,3,5
Team work	Has a capacity for and understanding of collaboration and co-operation within agreed frameworks, including the demands of inter-generational tolerance, mutual respect for others, conflict resolution and the negotiation of productive outcomes.	1,5
Social responsibility	Is able to apply equity values, and has a sense of social responsibility, sustainability, and sensitivity to other peoples, cultures and the environment.	1,2,5
Flexibility	Can function effectively and constructively in an inter-cultural or global environment and in a variety of complex situations.	1,2,3,4,5
Leadership	Can exercise initiative and responsibility, taking action and engaging others to make a positive difference for the common good.	1,5