

SCHOOL OF ACCOUNTING & COMMERCIAL LAW

COML 320 CORPORATE COLLAPSE

Trimester Two 2009

COURSE OUTLINE

Names and Contact Details

<i>Academic:</i>	<i>Course Co-ordinator & Lecturer</i>	<i>Room</i>	<i>Phone</i>
	Trish Keeper E-mail address: Trish.Keeper@vuw.ac.nz	RH 623	463 5203
	<i>Lecturer</i> David Carter E-mail address: David.Carter@vuw.ac.nz	RH 727	463 5233 Ext 7009
<i>Administrator:</i>	Rainet Mutandwa Email address: Rainet.Mutandwa@vuw.ac.nz Office Hours: Monday – Friday, 8.30 am – 5 pm (Note: Office closed 10.30am-10.45am and 3.30pm-3.45pm).	RH 708	463 5383

The Administrator should be contacted for assistance relating to tutorial sign ups, collection of marked assessment and other inquiries of an administrative nature.

Trimester Dates

Teaching Period: Monday 13 July to Friday 16 October 2009

End of Year Study Period: Monday 19 October to Monday 26 October 2009

Examination Period: Tuesday, 27 October to Saturday 14 November 2009 (inclusive).

Note: Students who enrol in courses with examinations should be able to attend an examination at the University at any time during the formal examination period.

Withdrawal dates: Information available via

<http://www.victoria.ac.nz/home/admisenrol/payments/withdrawalsrefunds.aspx>

Class Times and Room Numbers:

<u>Lecture times:</u>	Tuesday	14.40-15.30 in GBLT4
	Wednesday	14.40-15.30 in GBLT4
	Friday	14.40-15.30 in GBLT4

Course Content

- 1 With reference to well known examples of New Zealand and overseas corporate collapses, an analysis of the some of the tests of business failure, both quantitative and qualitative and analysis of failures or weaknesses of such predictive tests.
- 2 What is insolvency?
 - a. Consideration of the various legal and accounting tests of insolvency, when they apply and their significance
 - b. Regulation of the insolvent corporation, role of insolvency law, consideration of whose interests are protected by current rule, and the role of the state, profession and stakeholder.
- 3 Study of both formal and informal options for a financially distressed company with reference to example companies and other failed companies
 - a. Work-out
 - b. Moratorium
 - c. Arrangements and compromises
 - d. Voluntary administration
 - e. Receiverships
 - f. Liquidations
- 4 Selected Issues (to be confirmed)
 - a. Valuation: going concern v ceased business
 - b. Forensic accounting
 - c. Executive remuneration
 - d. Ethics

Note the following information is provisional only. There may be variance in the timing of lectures

Week starting	Content	Important dates
13 July	Course overview Case studies overview	
20 July	Main causes and qualitative predictors of corporate insolvency	
27 July	Analysis of insolvency from legal and accounting perspectives	
3 August	Legal options: Informal options:	
10 August	Legal options: VA and receiverships	First assessment due Wednesday 12 August
17 August	Legal Options: Liquidations	

24 August – 4 September		Mid semester break
7 September	Financial Statement analysis—failure and prediction	
14 September	Financial Statement analysis—failure and prediction	Second assessment due Wednesday 16 September
21 September	Selected Issues	
28 September	Selected issues	
5 October	Selected issues	
12 October	Ethics	Third assessment due Wednesday 14 October
19 -23 October-		Revision week

Course Learning Objectives

By the end of this course, students should be able to:

- 1 describe what is insolvency, the key causes and warning signs of corporate failure, and understand the key business failure prediction models and their weaknesses
- 2 identify and evaluate the various formal and informal options available to an insolvency practitioner when faced with a financially distressed company and be able to evaluate the advantages and disadvantages of the various options in difference situations;
- 3 demonstrate an awareness of the various roles and challenges that professional advisers may face in a corporate insolvency, specifically with regard to selected issues covered in the course
- 4 Analyse a broad range of issues arising out of the regulation of insolvency.

Course Delivery

The course will be delivered by lectures, in-class workshops and guest speakers. Relevant readings and background material will be handed out in class by individual lecturers. Before lectures you should read the assigned material. For workshops, the workshop topic or discussion questions will normally be made available in advance and students should be prepared to discuss the workshop topic.

Expected Workload

For 300-level 24 points one trimester courses, 18 hours per week are recommended. An average student should spend 15 hours per week for preparation, reading, and writing in addition to attendance at lectures and tutorials.

Readings

There is no set text for this course. Reading will be handed out as required or placed on Blackboard. Spare copies of distributed handouts will be placed in the COML 320 pigeonholes on the 7th floor of Rutherford House. Recommended background materials are listed on COML 320 blackboard and are all available at either the Commerce Library or the Law Library.

Assessment Requirements

Case Study-Part One	15%	Case Study: overview and analysis of causes of failure	12 August 2009
Case Study-Part Two	15%	Case Study: analysis of form of insolvent trading entity	16 September 2009
Case Study-Part Three	20%	Case Study: analysis of selected issues	14 October 2009
Final Exam	50%	October-November	TBC

Project

The Case Study is to be completed in three parts and will relate to a failed company selected by the student, subject to the approval of the course lecturers. Each part is required to be completed and submitted separately throughout the course and will require an analysis of a specific aspect or aspects of the insolvency of the selected company.

Each Part will be marked as a separate assessment, but feedback from completed parts of the Case Study can be incorporated into uncompleted parts.

Completed assignments should be placed in the COML 320 Assignment Box (on the Mezzanine Floor, Rutherford House) by noon on the dates specified. Specific details will be provided for each part of the Case study assessment.

Note: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of FCA programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

Examinations

The final examination for this course will be scheduled at some time during the period from Tuesday 27 October to Saturday 14 November 2009.

Materials permitted in Examination

The Final Exam is a 2-hour closed book exam.

Penalties

Assignments handed in after the deadline will be subject to an automatic 5% deduction per day unless prior permission has been granted or unless proof of exceptional circumstances can be produced

Mandatory Course Requirements

All items of assessment must be completed.

Communication of Additional Information

Notices will be posted on **Blackboard** to which all students have access. **Urgent notices** will be circulated by email.

Use of Turnitin

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine <<http://www.turnitin.com>>. Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

For the following important information follow the links provided:

Academic Integrity and Plagiarism

<http://www.victoria.ac.nz/home/study/plagiarism.aspx>

General University Policies and Statutes

<http://www.victoria.ac.nz/home/about/policy/academic.aspx>

Faculty of Commerce and Administration Offices

<http://www.victoria.ac.nz/fca/studenthelp/Contactus.aspx>

Manaaki Pihipihinga Programme

http://www.victoria.ac.nz/st_services/mentoring/