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School of Accounting & Commercial Law

## COML 204 LAW OF ORGANISATIONS

Trimester Two 2010

### COURSE OUTLINE

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#### Names and Contact Details

##### *Course Coordinator &*

##### *Lecturer:*

*Weeks 1 & 5-12*

Ms Trish Keeper (TK)

[Trish.Keeper@vuw.ac.nz](mailto:Trish.Keeper@vuw.ac.nz)

RH 623

463-5203

##### *Lecturer:*

*Weeks 2-4*

Mr Christopher Cripps (CC)

[Christopher.Cripps@vuw.ac.nz](mailto:Christopher.Cripps@vuw.ac.nz)

RH 705

463-5757

##### *Course Administrator &*

##### *Tutorial/Assessment*

##### *Enquires:*

Ms Rainet Mutandwa

[Rainet.Mutandwa@vuw.ac.nz](mailto:Rainet.Mutandwa@vuw.ac.nz)

RH 708

463-5383

##### *Duty Tutor:*

Jeremy McGowen

##### *Duty Tutor Hours:*

To be advised on Blackboard

#### Trimester Dates

**Teaching Period:** Monday 12<sup>th</sup> July – Friday 15<sup>th</sup> October 2010

**Study Period:** Monday 18<sup>th</sup> October – Thursday 21<sup>st</sup> October 2010

**Examination Period:** Friday 22<sup>nd</sup> October – Saturday 13<sup>th</sup> November 2010 (inclusive)

#### Withdrawal from Courses:

Your fees will be refunded if you withdraw from this course on or before **23 July 2010**

The last date for withdrawal from this course is the three-quarter point of the teaching period, i.e.

**Friday 24 September 2010.** After that date, permission to withdraw requires the permission of the Associate Dean (Students) as set out in section 8 of the Personal Courses of Study Statute

<http://policy.vuw.ac.nz/Amphora!~~policy.vuw.ac.nz~POLICY~000000001743.pdf>

To apply for permission, fill in the Late Withdrawal form available from either of our Student Customer Service Desks.

#### Class Times and Room Numbers

Monday from 10.30 to 11.20 am in RH LT1 and

Thursday from 10.30 to 11.20 am in RH LT1

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## Course Content

Below is an outline of the content covered by this course and the order in which they will be presented.

### Attendance at Lectures

A significant part of this course is lecture based. Therefore, you are strongly recommended to attend *all* lectures and tutorial group sessions. Much information, which is examinable, is conveyed by the *spoken word only* and is not posted on *Blackboard* or otherwise distributed!

## Detailed Programme for Teaching Period

The Weekly Topic Timetable of this detailed programme is a guideline only and variations may occur.

Week & Lecturer	Dates	Topic Areas	Readings	Tutorials and other information
1 TK	12 July 15 July	Introduction, nature of corporate entity compared to other commercial entities	<i>Commercial Applications of Company Law in New Zealand</i> 23-36 and 111-136.	NO Tutorial
2 CC	19 July 22 July	Nature of corporate entity, including limited liability, separate legal identity (including lifting the veil) and incorporation process	<ul style="list-style-type: none"> <li>• <i>Law of Business Organisations</i> Promoters and Preincorporation Contracts”</li> <li>• <i>Salomon v Salomon &amp; Co Ltd</i></li> <li>• <i>Lee v Lee’s Air Farming Ltd</i></li> <li>• <i>Official Assignee v 15 Insoll Avenue Ltd</i></li> </ul>	NO Tutorial
3 CC	26 July 29 July	Corporate Relationship: ultra vires, role of corporations and corporate law and ethics	<ul style="list-style-type: none"> <li>• Peter Watts “The attempt to nationalise the company</li> <li>• Matthew Berkahn “‘Almost Identical’ Company Names in New Zealand: ”</li> <li>• <i>Company and Securities Law of NZ</i> “Capacity of the Company”.</li> </ul>	<b>ATTEND Tutorial No 1</b>  Company names
4 CC	2 August 5 August	Corporate Relationships: Internal governance: Division of Powers within a company, Shareholder powers, role and powers of directors, role of constitution, meetings	<ul style="list-style-type: none"> <li>• <i>Nicholson v Permakraft (NZ) Ltd.</i></li> <li>• Lynne Taylor “Company Constitutions under the Companies Act 1993”</li> </ul>	<b>ATTEND Tutorial No 2</b>
5 TK	9 August 12 August	Directors, definition appointment and removal  General duties of directors	<i>Law of Business Organisations</i> “Directors” and “Duties of Directors”	NO Tutorial  <b>ATTEND Mid Trimester Test</b>

<p align="center"><b>MID-TRIMESTER TEST: Takes place in the evening during the week starting 9 August 2010 (Actual Date to be advised)</b></p> <p align="center"><b>50 minutes duration (actual venues to be advised)</b></p> <p align="center">Covers all topic areas to end of week 4, other than role of promoters and pre-incorporation contracts</p>				
<b>6</b> <b>TK</b>	16 August 19 August	General duties of directors Use of Coy information Analysis of to whom do directors owe duties and need for reform	Rob Batty "Regulating the Use of Company Info by former directors"	<b>ATTEND</b> <b>Tutorial No 3</b>
<b>7</b> <b>TK</b>	6 September 9 September	Specific consideration of duties in respect of accounts and financial statements, including Financial Reporting Act Auditors rights and duties	<i>Company and Securities Law in NZ</i> "Accounts and Disclosure"	<b>ATTEND</b> <b>Tutorial No 4</b>
<b>8</b> <b>TK</b>	13 September 16 September	Shareholders rights and remedies: Personal and derivative actions, injunctions and minority shareholder rights	<i>Law of Business Organisations</i> "Shareholders"	<b>ATTEND</b> <b>Tutorial No 5</b>
<b>9</b> <b>TK</b>	20 September 23 September	Shareholders continued Overview of rules regarding debt and equity	<i>Commercial Applications of Company Law in New Zealand</i> 401-425.	<b>ATTEND</b> <b>Tutorial No 6</b>
<b>10</b> <b>TK</b>	27 September 30 September	Corporate liability and relationship of company and its directors and officers to third parties and need for reform?	<i>Commercial Applications of Company Law in New Zealand</i> 443- 463	<b>ATTEND</b> <b>Tutorial No 7</b>
<b>11</b> <b>TK</b>	4 October 7 October	Analysis of options on corporate insolvency, including receiverships, VA and liquidation	<ul style="list-style-type: none"> <li>• <i>Heath and Whale on Insolvency Law</i> paras [1.2]-[1.5]</li> <li>• <i>Company and Securities Law in NZ</i> "Corporate Collapse"</li> <li>• <i>Commercial Applications of Company Law in New Zealand</i> 465-477.</li> </ul>	<b>ATTEND</b> <b>Tutorial No 8</b>
<b>12</b> <b>TK</b>	11 October 14 October	Corporate Insolvency, focusing on the liquidation process, power and role of liquidator, distribution and ranking.	<i>Law of Business Organisation</i> "Company Liquidations"	<b>ATTEND</b> <b>Tutorial No 9</b>
<p align="center"><b>FINAL EXAMINATION</b></p> <p align="center"><b>The final examination for this course will be scheduled at some time during the period from Friday 22 October 2010 to Friday 13 November 2010 inclusive (actual date to be advised).</b></p> <p align="center"><i>This is a general lecture outline only. Some topics may be addressed in a different week from that shown here.</i></p>				

### *Your Tutorial Group Sessions*

There are nine (9) tutorial sessions for each tutorial group of students, held during the following nine weeks:

*Week 3, Tutorial 1*

*Week 4, Tutorial 2-*

*Week 6, Tutorial 3*

*Week 7, Tutorial 4*

*Week 8, Tutorial 5*

*Week 9, Tutorial 6*

*Week 10, Tutorial 7*

*Week 11, Tutorial 8*

*Week 12, Tutorial 9*

**You will be given the opportunity to electronically sign up to be a member of one tutorial group on a first-come-first-served basis.** The instructions for signing up are attached (see page 8 of this Course Outline). The completed tutorial group lists with their group identification number will be posted on the web-based **Blackboard as soon as practically possible after the closing date of the tutorial group sessions' signup.** Subsequent changes to those tutorial group lists can only be made by the Course Administrator

Tutorials are not compulsory but they are recommended and an attendance roll will be recorded. Tutorials are generally designed to clarify and reinforce material covered in lectures, although tutorial two will cover material that is not covered in lectures. In addition, tutorials will also focus on reviewing, introducing and practicing skills such as legal problem solving and legal writing which will assist in assessments. Student who do attend tutorials are expected to participate in them fully.

### **Duty Tutoring**

A Duty Tutor will be available for additional assistance outside of your assigned tutorial group sessions. Please seek your tutor's help first (during tutorial group sessions) before approaching the Duty Tutor or your lecturer (during their contact hours). The Duty Tutor's contact times (see page 1) will be announced in class and posted on the web-based **Blackboard**, at <http://blackboard.vuw.ac.nz>. The lecturers' contact times will also be announced in class and posted on Blackboard.

### **Course Learning Objectives**

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

- a. Describe the development and functions of the New Zealand company and partnership law and associated areas of law;
- b. Explain the legal principles and policies that underlie the law of organisations;
- c. Identify and evaluate legal problems and issues that arise in selected areas within the law of organisations;
- d. Analyse the law from a perspective of identifying defects and proposing reforms.

### **Course Delivery**

The course will be delivered by lectures and tutorials. Before lectures you should read the assigned material on the reading list and for tutorials, students need to read and consider the tutorial questions before each tutorial. Some tutorials will be problem solving. It is recommended that students attempt to answer such questions before the tutorial by identifying the key issues, analysing the applicable law and applying to the facts. Other tutorials may require reading of relevant pages of the course material book or additional material before the tutorial.

### **Expected Workload**

This is a 15 point course. As such it equates to 150 hours of work spread over its duration of: (i) 12 lecture weeks, (ii) 2 mid-trimester study break weeks, and (iii) 1 study week prior to the final examination period. That is on average a total of **10 hours of work per week** (150 hours of work ÷ 15 weeks).

### **Group Work**

Group work is limited to your participation in your Tutorial Group Sessions.

### **Pre-requisites**

COML 203 Legal Environment of Business

### **Readings Required:**

Coml 204 Course Materials (2010) purchased through student notes  
Companies Act 1993 (and amendments).

### **Recommended and Additional Textbooks that you may wish to Consult**

COML 204 Blackboard will set out a list of recommended and additional textbooks

### **Materials and Equipment**

#### **Materials permitted in mid trimester test and final examination**

The Mid Trimester Test and Final Exam are both open book and you may bring whatever materials you like into the exam room. Be aware that lecturers do not have spare copies of the course materials book available for loan and it is your responsibility to make sure you have a copy of anything you may wish to refer to during the test and final exam.

### **Assessment Requirements**

These assessment requirements cover the following three points below, namely:

**1. Mid Trimester Test: week 5(20%) (open book)**

**2. Legal Essay (20%), and**

**3. Final Examination (60%) (open book)**

### **Mid trimester Test**

- The Test (20% of overall grade, duration 50 minutes) is scheduled to take place in week five (Actual Date to be advised).
- Its duration will be 50 minutes.
- The test will cover material covered in weeks 2-4 in lectures, tutorials and assigned readings.
- The only exception is that the assigned readings in week two on company promoters and pre-incorporation contracts will **not** be assessed

### **Legal Essay**

The essay will be available on Blackboard from the start of the course and has a word limit of 1500. Material related to the essay topic will be covered in lectures during weeks 6 and 7 and in tutorial 4. Tutorials will also provide guidance as to the legal writing. The essay is due noon Monday 27<sup>th</sup> September 2010. Completed assignments should be placed in the COML 204 Assignment Box (on the Mezzanine Floor, Rutherford House) on this date and also electronic version should be uploaded on Blackboard by the same due date and time.

You must submit both a print version and an electronic version. Please note the COML 204 Assignment Box will be closed after the date and time stated above. Hard copies of late assignments are to be handed in at the School office at RH 708.

### **Final Examination (60% of overall grade, total duration is 180 minutes)**

The final examination for this course will be scheduled at some time during the period Friday 22nd October 2010 to Saturday 13th November 2010 (inclusive) (actual date to be advised)

*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.*

### **Materials permitted in Test and Examination**

The Terms Test and Final Exam are both open book and you may bring whatever materials you like into the exam room. Be aware that lecturers do not have spare copies of the course materials book available for loan and it is your responsibility to make sure you have a copy of anything you may wish to refer to during the test and final exam.

### **Examinations**

Students who enrol in courses with examinations are obliged to attend an examination at the University at any time during the formal examination period.

The final examination for this course will be scheduled at some time during the period

**Friday 22nd October – Saturday 13th November 2010 (inclusive)** (actual date to be advised)

## **Penalties**

Any assignment handed in after the deadline for that assessment will be subject to an automatic 3 percent minimum penalty (and an additional 3 percent per day including Saturday and Sunday) unless prior permission has been granted by the course coordinator. Medical certificates or equivalent document will normally be required to support an application for an extension, and as a rule, medical or accident or bereavement reasons are the only grounds for the granting of an extension.

## **Mandatory Course Requirements**

**All** items of assessment must be completed.

## **Course Pass Requirements**

In order to pass this course, a student must: (a) meet the *mandatory course requirements*, and (b) achieve a weighted average mark of 50% or more, utilising the indicated weightings, over: (i) Mid Trimester Test (weighting 20%) plus, (ii) Legal Essay (weighting 20%), plus (iii) Final Examination (weighting 60%).

## **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details will be available to VUWSA, the Course Coordinator and the class. The class representative provides a communication channel to liaise with the Course Coordinator on behalf of students.

## **Communication of Additional Information**

Additional information concerning this course will be provided in lectures and posted on the web-based **Blackboard** system at <http://blackboard.vuw.ac.nz>.

## **Use of Turnitin**

A selection of all student work provided for assessment in the legal essay for this course will be checked for academic integrity by the electronic search engine <<http://www.turnitin.com>>. Turnitin is an on-line plagiarism prevention tool which identifies material that may have been copied from other sources including the Internet, books, journals, periodicals or the work of other students. Turnitin is used to assist academic staff in detecting misreferencing, misquotation, and the inclusion of unattributed material, which may be forms of cheating or plagiarism.

**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>

**AVC (Academic) Website: information including: Conduct, Academic Grievances, Students with Impairments, Student Support**

[http://www.victoria.ac.nz/home/about\\_victoria/avcacademic/Publications.aspx](http://www.victoria.ac.nz/home/about_victoria/avcacademic/Publications.aspx)

**Faculty of Commerce and Administration Offices**

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

**Manaaki Pihipihinga Programme**

[http://www.victoria.ac.nz/st\\_services/mentoring/](http://www.victoria.ac.nz/st_services/mentoring/)



## Detailed Tutorial Group Sessions' Signup Instructions

1. Go to the signup website at: <https://signups.victoria.ac.nz>
2. Enter your SCS username and password to login the system.
3. The "Signup Home" page opens. It displays all courses you are enrolled for and that use the S-Cubed Tutorial & Workshop Signup system. Click on the course you wish to sign up for.
4. The selected course page opens. It will show the course contact and brief details of the signup instructions. A "key" is provided at the bottom that explains all buttons and what they do.
5. The schedule of tutorials includes the day/time, location, maximum group size, and spaces left in the tutorial sessions.
6. If there are spaces left in a particular session, you will see the "ENROL" button next to it. You can click this button to enrol yourself into that tutorial session.
7. If there are NO more spaces left in a particular session, you will see the "JOIN WAITLIST" button, if available. You can click this button to join the waitlist for that tutorial session. Please note that you will be removed from any other waitlist you may have joined earlier. If somebody withdraws from this session, you will automatically be moved up the waitlist or enrolled into the session. In this case you are enrolled in the session; an email will be sent to you if you are enrolled into the session from a waitlist.
8. You can only "JOIN WAITLIST" if you have already enrolled in one of the other available sessions. In other words, "ENROL" in one session and then you can choose to join the waitlist for another preferred session.
9. You can choose to "WITHDRAW" from a session you have already enrolled for. You can also choose to "CANCEL WAITLIST" to remove yourself from a particular waitlist.
10. A "FULL" button indicates all seats and waitlist are full for that tutorial session. You must choose another session.
11. More details on the various buttons are available in the "Key" section at the bottom of the signup page.
12. You should "ENROL" in only ONE tutorial session and may "JOIN WAITLIST" for only ONE other tutorial session.
13. You can login and signup (or change your signup) anytime before the **closing date of the tutorial group sessions' signup. You will NOT be able to sign up or change your choice after the tutorial group sessions' signup has closed.**
14. You can view/confirm details of the sessions you are enrolled and waitlisted for, such as day/time and location by clicking on "My Signups" on the left hand menu.
15. Click on "Support" on the left hand menu if you are having problems.

This online signup system is available around the clock over the internet. Any requests after this date will need to be manually handled by the course administrator. You will need to submit a written application stating the reason why you were not able to sign up on time using the online system, along with other relevant documentation such as medical certificate etc.

Finally, **you must always attend the tutorial group sessions that you have signed up for.** If you attend a different session, your attendance may not be recorded.