

School of Accounting and Commercial Law

## **MMPA 505 CORPORATIONS AND BUSINESS ASSOCIATIONS LAW**

Trimester Two 2011

### **COURSE OUTLINE**

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<b>Names and Contact Details</b>	<b>Office</b>	<b>Telephone</b>
<i>Course Coordinator &amp; Lecturer</i> Leslie Brown <a href="mailto:Leslie.Brown@vuw.ac.nz">Leslie.Brown@vuw.ac.nz</a> Office Hours: TBA	RH 714	463 6787
<i>Course Administrator</i> Pinky Shah <a href="mailto:Pinky.Shah@vuw.ac.nz">Pinky.Shah@vuw.ac.nz</a> Office hours: Monday-Friday, 8.30am-5pm (Note: Office closed 10.30am-10.45am and 3.30pm-3.45pm)	RH 728	463 6921

#### **Trimester Dates**

Teaching Period: Monday 11 July – Friday 14 October

Study Period: Monday 17 October – Thursday 20 October

Examination Period: Friday 21 October – Saturday 12 November (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before 22 July 2011.
2. The standard last date for withdrawal from this course is Friday 23 September 2011. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an *'Application for Associate Dean's Permission to Withdraw Late'* including supporting documentation.

The application form is available from either of the Faculty's Student Customer Service Desks.

#### **Class Times and Room Numbers**

Lectures will be held on Thursdays between 12.40pm and 3.30pm in RHLT3.

## Course Content

The topics are listed below in the approximate order in which they are covered.

### 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	Dates	Topic Areas	Readings
1	14 Jul	<b>Introduction, nature of corporate entity compared to other commercial entities</b>	LBO chapters 1, 3 4  Gordon Walker (ed) <i>Commercial Applications of Company Law in New Zealand</i> (3 <sup>rd</sup> ed, CCH, Auckland, 2009) , 23-36 and 111-136
2	21 Jul	<b>Nature of corporate entity, including limited liability, separate legal identity (including lifting the veil) and incorporation process, including company name</b>	LBO chapters 5, 7, 8, 9  D Tennent “Chapter 2: Company Formation” in John Farrar (ed) <i>Company and Securities Law in New Zealand</i> (Thomson Brookers, Wellington)  J Farrar “Chapter 5: Corporate Personality” in John Farrar (ed) <i>Company and Securities Law in New Zealand</i> (Thomson Brookers, Wellington, 2008)  <i>Lee v Lee’s Air Farming Ltd</i> [1961] NZLR 325  Matthew Berkhan “Almost Identical’ Company Names in New Zealand: ‘Not yet Passe’” (2009) 2(1) JALTA 1
3	28 Jul	<b>Corporate Relationship: ultra vires, role of corporations and corporate law and ethics</b>	LBO chapter 6  Susan Watson “Capacity of the Company” in John Farrar (ed) <i>Companies and Securities Law in New Zealand</i> (Thomson Brookers, Wellington, 2008), 93-108
4	4 Aug	<b>Corporate Relationships: Internal governance: Division of Powers within a company, Shareholder powers, role and powers of directors, role of constitution, meetings</b>	LBO chapter 10  Lynne Taylor “Company Constitutions Under the Companies Act 1993” (2005) 11 NZBLQ.  Gordon Walker (ed) <i>Commercial Applications of Company Law in New Zealand</i> (3 <sup>rd</sup> ed, CCH, Auckland, 2009) 443-463.

5	11 Aug	<b>Directors, definition appointment and removal General duties of directors</b>	LBO chapter 11
6	18 Aug	<b>General duties of directors Use of Coy information Analysis of to whom do directors owe duties and need for reform</b>	LBO chapter 12
<b>Mid Trimester Break (22 August – 4 September)</b>			
7	8 Sept	<b>Specific consideration of duties in respect of accounts and financial statements, including Financial Reporting Act</b>	LBO chapter 14
8	15 Sept	<b>Auditors rights and duties  Shareholders rights and remedies: Personal and derivative actions, injunctions and minority shareholder rights</b>	LBO chapter 14  M Berkahn & L Trotman “Chapter 17: Accounts and Disclosure” in John Farrar (ed) <i>Company and Securities Law in New Zealand</i> (Thomson Brookers, Wellington, 2008)  LBO chapter 13
9	22 Sept	<b>Shareholders continued</b>	LBO chapter 13
10	29 Sept	<b>Overview of rules regarding debt and equity</b>	LBO chapters 15, 16, 17  Gordon Walker (ed) <i>Commercial Applications of Company Law in New Zealand</i> (3 <sup>rd</sup> ed, CCH, Auckland, 2009) 401- 425.
11	6 Oct	<b>Analysis of options on corporate insolvency, including receiverships, VA and liquidation</b>	LBO chapters 18, 19  Lynne Taylor “Chapter 26: Corporate Collapse” in John Farrar (ed) <i>Company and Securities Law in New Zealand</i> (Thomson Brookers, Wellington, 2008) 639-648.  Gordon Walker (ed) <i>Commercial Applications of Company Law in New Zealand</i> (3 <sup>rd</sup> ed, CCH, Auckland, 2009) 465- 477.
12	13 Oct	<b>Corporate Insolvency, focusing on the liquidation process, power and role of liquidator, distribution and ranking.</b>	LBO chapter 20

## **Course Learning Objectives**

Students who are successful in the course will be able to:

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

## **Course Delivery**

Lectures will comprise the delivery of the course material.

## **Expected Workload**

Students will be expected to spend 13 hours each week on this course. There will be two hours of lectures each week.

## **Readings**

### *Required Material*

Watson, Gunasekara, Gedye, Van Roy, Ross, Longdin, Sims and Brown, *The Law of Business Organisations*, (5<sup>th</sup> ed, Palatine Press, Auckland, 2009). (Herein referred to as 'LBO').

Students are recommended to acquire a copy of the Companies Act 1993. This may be purchased from the University Book Shop.

### *Additional Texts and Materials*

John Farrar (ed) *Company and Securities Law in New Zealand* (Thomson Brookers, Wellington, 2008).

G Walker, et al, *Commercial Applications of Company Law in New Zealand*, (3<sup>rd</sup> ed, CCH, Auckland 2009). 3 copies of this text have been placed on Closed Reserve in the Commerce Library.

## **Materials and Equipment**

The Mid-Trimester Test and Final Exam are both open book and you may bring whatever materials you like into the exam room.

## Assessment Requirements

Assessment	Weighting	Date
Mid-Tri Test (50 mins; Open book)	25%	Thursday 11 August at 11.30am (TBC)
Assignment Individual written component Group written component Group presentation	25% (10%) (10%) (5%)	Thursday 22 September 12.40pm RHLT 3
Examination (2 hours; Open book)	50%	See below for more information

### ***Mid Trimester Test***

Material covered up to and including the week before the test.

### ***Assignment***

Additional instructions will be provided separately for each item of assessment. You should carefully read and follow these instructions.

#### *Group Assignment (total of 15%)*

The course does contain some group work. It is expected that the time commitment for this group work outside class will fit inside the expected workload.

In this assignment, groups will work on a task and present the results to the whole class both in written form and in oral presentation. The mark obtained by members of the group will be the mark awarded to the group

#### *Individual Exercise (10%)*

There are important elements in the assessment process that are strictly individual. Collaboration on individual assignments is not allowed beyond general discussion as to how one might interpret the nature of the assignment question. Please do not work together to formulate a response and do not loan out your completed assignments.

This exercise will run in parallel with the Group Assignments. The individual exercise constitutes 'individual work' in terms of assessment requirements.

### ***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 from Friday 21 October – Saturday 12 November.

### **Quality Assurance 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.

## **Penalties**

Any assignment handed in after the deadline for that assessment will be subject to an automatic 5 percent minimum penalty (and an additional 5 percent per day including Saturday and Sunday) 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.

## **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, across the 'Assessment Requirements' above.

## **Class Representative**

A class representative will be elected in the first class, and that person's name and contact details made 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 **Blackboard** at <http://blackboard.vuw.ac.nz>.

## **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. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. 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**

Find key dates, explanations of grades and other useful information at

[www.victoria.ac.nz/home/study](http://www.victoria.ac.nz/home/study)

Find out about academic progress and restricted enrolment at

<http://www.victoria.ac.nz/home/study/academic-progress.aspx>

The University's statutes and policies are available at [www.victoria.ac.nz/home/about/policy](http://www.victoria.ac.nz/home/about/policy),

except qualification statutes, which are available via the Calendar webpage at

<http://www.victoria.ac.nz/home/study/calendar.aspx> (See Section C).

Further information about the University's academic processes can be found on the website of the Assistant Vice-Chancellor (Academic) at

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

**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/>

**Te Pūtahi Atawhai**

**Maori and Pacific Mentoring Programme**

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