

School of Economics and Finance

## **FINA 414 SPECIAL TOPIC—CORPORATE GOVERNANCE**

Trimester 2, 2013

### **COURSE OUTLINE**

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#### **Names and Contact Details**

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#### **Trimester Dates**

Teaching Period: Monday 15 July – Friday 18 October

Study Period: Monday 21<sup>st</sup> October – Thursday 24 October

Examination Period: Friday 25 October – Saturday 16 November (inclusive)

#### **Withdrawal from Course**

1. Your fees will be refunded if you withdraw from this course on or before Friday 26 July 2013.
2. The standard last date for withdrawal from this course is Friday 27 September. 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 Monday in room RWW413 from 1:40-3:30pm.

#### **Group Work**

None.

#### **Expected Workload**

The workload for FINA 414 is intended to be similar to that for other 400-level ECON and FINA courses. The total expected workload is 150 hours, comprising 12-13 hours per week.

#### **Prescription**

An intensive examination of modern research in corporate governance based on information asymmetries. Topics include the separation of ownership and control, delegated monitoring, executive compensation and the market for corporate control.

#### **Course Learning Objectives**

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

- demonstrate an understanding of theories of corporate governance based on asymmetric information

- carry out simple empirical tests of these theories
- assess the merits of more complicated empirical tests of these theories
- interpret observed firm and market behaviour in terms of these theories
- communicate the key implications of modern corporate governance theories to a non-specialist audience

### **Course Content**

Material will be drawn from the following list:

- Manager-shareholder conflict
- Monitoring management
  - Board of directors
  - Large shareholders
- Motivating management
  - Managerial ownership
  - Managerial compensation
  - Reputation and the managerial labour market
- Disciplining management
  - Market for external capital
  - Market for corporate control

### **Readings**

There is no set textbook for this course as comprehensive lecture notes will be available from <http://blackboard.vuw.ac.nz/>.

### **Materials and Equipment**

None.

### **Assessment**

The final grade will be determined by two assignments (each contributing 20%) and a two-hour final exam (covering the whole course and contributing 60%).

The assignment due dates are

- Assignment 1: 1:40pm on Monday, August 19 (start of lecture 6).
- Assignment 2: 1:40pm on Monday October 14 (start of lecture 12).

All learning objectives will be assessed by each assessment item.

### **Penalties**

Assignments handed in late will not be marked. If a satisfactory medical certificate is provided, the weight from the assignment will be shifted onto the other pieces of assessment; otherwise, the assignment score will be recorded as 0.

Material exceeding word limits will not be marked.

### **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 submitted to Turnitin. A copy of submitted materials will be retained 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.

### **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 following period:

Friday 25 October – Saturday 16 November (inclusive)

### **Mandatory Course Requirements**

A necessary condition for passing the course is that the score on the final exam is at least 50%.

If you cannot complete an assignment or sit a test or examination, refer to

[www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat](http://www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat)

### **Communication of Additional Information**

Course documents and other information will be available on the course website at <http://blackboard.vuw.ac.nz>. Announcements will also be posted there.

### **Student feedback**

Student feedback on University courses may be found at

[www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://www.cad.vuw.ac.nz/feedback/feedback_display.php)

### **Link to general information**

For general information about course-related matters, go to

<http://www.victoria.ac.nz/vbs/studenthelp/general-course-information>

### **Note to Students**

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 academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

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