

VICTORIA INTERNATIONAL APPLIED FINANCE PROGRAMME
School of Economics and Finance

MMAF530 APPLIED CORPORATE GOVERNANCE

Trimester 1 2015

COURSE OUTLINE

Names and Contact Details

The course lecturer is Kasper Meisner Nielsen.

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Trimester Dates

The study and assessment period is Monday 2 March – Wednesday 17 June.

Study Period 1: 2 March – 13 April

Teaching Period 1: Tuesday 14 April – Thursday 16 April

Study Period 2: 17 April – 14 June

Teaching Period 2: Monday 15 June – Wednesday 17 June

Withdrawal from Course

1. Your fees will be refunded if you withdraw from this course on or before Friday 13 March 2015.
2. The standard last date for withdrawal from this course is Friday 5th June. 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.

Block Release Times and Room Numbers

Teaching period 1: Room AM102, Kelburn Campus

Tuesday 14 April: 9.00am – 5.30pm

Wednesday 15 April: 9.00am – 5.30pm

Thursday 16 April: 9.00am – 12.30pm

Teaching period 2: MY632, Kelburn Campus

Monday 15 June: 9.00am – 5.30pm

Tuesday 16 June: 9.00am – 5.30pm

Wednesday 17 June: 9.00am – 12.30pm

Course Delivery

The course will be delivered during two intensive 3-day teaching periods. The lectures will consist of a mix of formal lecture, group discussions, and class discussions of cases. During the rest of the trimester, students will be expected to be engaged in self-directed study using their textbooks and material posted on Blackboard, and completing assignments which will be posted on Blackboard. **Attendance at all sessions of both block releases is compulsory.**

Group Work

There is no group work outside of the block release.

Expected Workload

The expected workload for the average student is 200 hours. During the approximately 6 weeks of term prior to each block release, students will need to allow about 14 hours per week for study, research and preparation of assignments for this course. The readings will be concentrated in the first study period (4 out of 5 chapters), while the second study period focuses on academic papers and business cases. The two block courses each involve approximately 18 hours of work.

Prescription

A study of the key concepts, structures and dynamics of corporate governance. The course will focus on the roles and interests of shareholders, managers, and directors. Topics include choices of organisational form, executive compensation, boards of directors, institutional investors, shareholder activism and corporate governance reforms.

Course Learning Objectives

The course provides a comprehensive overview of the history and theory of corporate governance. The course provides the tools needed to recognize an effective corporate governance system and manage corporate governance in a modern corporation.

Course Content

The course reviews the key concepts, structures, and dynamics of corporate governance. The course will focus on the roles and interests of shareholders, managers, and directors. Topics include choices of organizational form, executive compensation, board of directors, institutional investors, shareholder activism and corporate governance reforms.

Readings

Textbook:

“*Corporate Governance*” (5th edition) by Robert A. G. Monks and Nell Minow, John Willey & Sons.

Articles and reports:

“*Disentangling the incentive and entrenchment effects of large shareholdings*” by Stijn Claessens, Simon Djankov, Joseph Fan, and Larry Lang in *Journal of Finance*, December 2002, 2741-2771.

“*Governance of family business owners*”, Harvard Business School.

“*Inherited control and firm performance*” by Francisco Perez-Gonzalez in *American Economic Review*, December 2006, pages 1559-1588.

“*Corporate governance in New Zealand, Principles and Guidelines*” by Security Commission New Zealand, 2004.

“New Zealand Corporate Boards in Transition: Composition, Activity and Incentives Between 1995 and 2010” by Glenn Boyle and Xu Ji, *Pacific Accounting Review* 25 (3): 235-258.

“Wolves in the Hen-House? The Consequences of Formal CEO Involvement in the Executive Pay-Setting Process” by Glenn Boyle and Helen Roberts, Working paper, University of Canterbury, 2010.

“A Breakdown of the Valuation Effects of International Cross-listing”, by Arturo Bris, Salvatore Cantale, and George P. Nishiotis. *European Financial Management* 13 (3): 498-530.

“Escape from New York: The market impact of loosening disclosure requirements” by Nuno Fernandes, Ugur Lel, and Darius P. Miller. *Journal of Financial Economic* 95 (2): 129-147-

Cases:

“Wrigley”, Mini-case

“New York Times”, Harvard Business School

Materials and Equipment

Students are required to bring the teaching material to class as we will be discussing lots of cases.

Assessments

The Assessment Handbook will apply to all VUW courses: see

<http://www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf>.

Course grades are based on two assignments and two tests. The overall course grade will be determined by the following weighting scheme:

Assignment 1: 20%	Sunday 3 May
Test 1: 30%	Thursday 16 April
Assignment 2: 20%	Wednesday 3 June
Test 2: 30%	Wednesday 17 June

Penalties

Late assignments will face a 5% grade penalty for each day.

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

There is no examination for this class, however there are two internal tests.

Mandatory Course Requirements

Students must attend all sessions of both Block Releases. Class participation is required and needed.

Communication of Additional Information

Communication is by email, and announcements will be sent out electronically through email and via posting on the electronic delivery system, Blackboard.

Student feedback

Student feedback on University courses may be found at

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.
