

Course Outline 2017

COMLAW 203: COMPANY LAW (15 POINTS)

Semester 2 (1175)

Course Prescription

Companies are by far the most used vehicle for doing business and an understanding of the rules that govern them is essential for everyone involved in commerce and industry. Examine the nature of a company, incorporation and share capital, the concept of separate legal personality, how a company interacts with the world and the roles of the stakeholders in a company including directors and shareholders. A sound understanding will help decision makers to take the advantages of corporate structure while avoiding pitfalls and legal liability.

Programme and Course Advice

Pre-requisite: COMLAW 101 or 191.

Goals of the Course

This paper will provide grounding in company law for students intending to work for or advise companies and for students intending to advance to the stage 3 corporate and taxation papers (for which it is a prerequisite). By the end of the course, students should appreciate significant trends and recurring issues in company law. In particular, students will acquire problem recognition and problem identification skills necessary in the modern business environment as well as for the more advanced commercial law papers. In addition, students will acquire sufficient knowledge in order to identify whether or not appropriate legal remedies exist in regard to the problems they have identified.

Learning Outcomes

By the end of this course it is expected that the student will be able to:

1. Explain and apply to various fact scenarios the concepts of separate legal entity and limited liability;
2. Explain and apply to various fact scenarios the statutory and administrative requirements of the Companies Act 1993, in particular:
 - (a) how to incorporate a company;
 - (b) the record keeping and filing requirements for companies;
 - (c) the disclosure requirements for companies;
3. Explain and apply to various fact scenarios the concept of corporate capacity and how companies relate to the outside world;
4. Explain and apply to given fact scenarios the legal rules on making a company criminally liable for the action of its agents;
5. Explain and analyse the way in which powers are divided between shareholders and directors, and the role which a constitution can play in a company's affairs;

6. Explain and apply to given fact scenarios the rules on director's duties and the potential liability of directors under those rules;
7. Explain and apply to given fact scenarios the rules relating to capital, shares and finance operate;
8. Explain and apply to given fact scenarios the rules on shareholder remedies;
9. Explain and apply to given fact scenarios the different ways in which professional advisers, such as accountants become involved in insolvency practice and their ethical responsibilities;
10. Explain and apply to given fact scenarios the legal mechanisms that can operate when a company is in financial difficulty;
11. Use legal databases to find cases and statutes.

Content Outline

Week 1 & 2	Introduction and Nature of Corporate Entity/Relationship to the Outside World
Week 3	Relationship to the Outside World
Week 4	Division of Powers
Week 5	Directors/ Director's Duties
Week 6	Directors' Duties
Week 7	Directors' Duties /Shareholders
Week 8	Shareholders
Week 9	Shareholders/Equity
Week 10	Equity/Accounts and audits
Week 11	Accounts and Audits/Liability of Directors outside the Act/Insolvency
Week 12	Insolvency and Corporate Governance (if time permits)

Learning and Teaching

There are 3 one-hour lectures per week, taught on the City Campus. The class size is just over 300 students. The lectures are formally presented by staff active in research. There are also workshops to help students revise, consolidate concepts and provide problem-solving techniques. There are six hour-long tutorials (up to 16 people per group). Tutorials are held in an informal setting to give students the opportunity to discuss pre-advised questions with their peers and tutor. Students must come fully prepared for these tutorials and are expected to participate in class discussions. Marks will be awarded, at the tutor's discretion, based on the quality of the individual student's contribution and level of preparation for all six tutorials. Additionally, students must participate fully in preparing and marking two assignments which are peer assessed under the AROPA system. These assignments will be worth 6% of the total mark. More details on AROPA are given below. There are 2 library research quizzes to be completed online on Canvas which are worth 2% of the final grade. There are also 3 online quizzes, worth 4% of the final grade in total. There will be a seventy minute test (details will be announced in due time) and a two-hour exam. Both the test and exam are open book.

Teaching Staff

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Learning Resources

Susan Watson, et al., The Law of Business Organisations in New Zealand, Palatine Press, 5th edition, 2009

Peter Watts, et al., Company Law in New Zealand, Lexis Nexis, 2011

John Farrar (ed), Company Law and Security Law in New Zealand, Brookers, 2nd edition, 2013

Statutes: The principal statute referred to in this course is the Companies Act 1993 and students must have a copy. It is available from the University Bookshop and can be downloaded free from the government website www.legislation.govt.nz. Students will be required to bring a copy of the Companies Act 1993 to tutorials for reference purposes in discussion of tutorial problems.

Other statutes, such as the Financial Reporting Act 2013 and the Fair Trading Act 1986, will be referred to from time to time but students are not expected to purchase them.

Assessment

Test	22%
Tutorial preparation and participation	6%
AROPA: participation	6%
Library quizzes	2%
Online Quizzes	4%
Examination	60%
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Total	100%

Further details on these assessments will be provided in the course book and at our first lecture. The broad relationship between these assessments and the course learning outcomes is as follows:

Learning Outcome	Test (24%)	Research Skills Exercise /Library Quizzes (2%)	Online Quizzes (4%)	Tutorial Participation (6%)	Final Exam (60%)
1	X		X	X	X
2	X		X	X	X
3	X		X	X	X
4	X		X	X	X
5			X	X	X
6			X	X	X
7			X	X	X
8			X	X	X
9			X	X	X
10			X	X	X
11		X			

There is no plussage for this course. The test and exam are closed-book. **You must score a minimum of 50% overall AND a minimum of 40% in the exam in order to pass the course.**

Inclusive Learning

Students are urged to discuss privately any impairment-related requirements face- to-face and/or in written form with the course convenor/lecturer and/or tutor.

Student Feedback

The feedback in past years has been that students find the amount of material in this course to be overwhelming. We have thus decided to make the test and exam open book. While students generally want more tutorials and workshops, we do not have the resources to provide that so we have added online quizzes as part of the course to give students more practice in answering questions.

We are constantly looking at ways to respond to student feedback to incrementally improve the course and welcome any feedback you may provide.