

LAWS30011 Corporations Law

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| Credit Points: | 12.50 |
| Level: | 3 (Undergraduate) |
| Dates & Locations: | 2011, Parkville This subject commences in the following study period/s: July, Parkville - Taught on campus. Semester 1, Parkville - Taught on campus. |
| Time Commitment: | Contact Hours: Two 2-hour seminars per week. Total Time Commitment: 144 hours. |
| Prerequisites: | Legal Method and Reasoning; Principles of Public Law; Obligations; Contracts; Property or in each case their equivalents. |
| Corequisites: | None. |
| Recommended Background Knowledge: | None. |
| Non Allowed Subjects: | None. |
| Core Participation Requirements: | For the purposes of considering requests for Reasonable Adjustments under the Disability Standards for Education (Cwth 2005), and Students Experiencing Academic Disadvantage Policy, academic requirements for this subject are articulated in the Subject Description, Subject Objectives, Generic Skills, and Assessment Requirements of this entry. The University is dedicated to providing support to those with special requirements. Further details on the disability support scheme can be found at the Disability Liaison Unit website: http://www.services.unimelb.edu.au/disability/ . |
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| Subject Overview: | <p>This subject introduces students to corporations law and provides a brief comparison with other forms of association such as partnerships. The subject undertakes a functional analysis of basic concepts of corporations law. Particular emphasis is given to the governance of companies, including the relationship between directors and shareholders. None of these topics requires for its study a background in accounting, commerce or business law. Necessary terms and concepts will be introduced in the subject itself.</p> <p>Topics covered in the subject fall into five parts.</p> <p>Part 1: Introduction</p> <ul style="list-style-type: none"> # Historical development of the modern company and other forms of business association, in particular partnerships; # Theoretical approaches to corporations law; # Corporate social responsibility; # Nature and sources of corporations law; # Introduction to corporate governance. <p>Part 2: The Process And Incidents Of Incorporation</p> <ul style="list-style-type: none"> # Formation of companies, including the different classes of companies, proprietary companies versus public companies, and the corporate constitution; # Separate entity doctrine and its consequences; # Corporate groups and piercing the corporate veil; # Corporate authority; # Corporate liability in tort and crime. |

Part 3: Corporate Finance

- # Nature of share capital and issue of shares compared to debt capital;
- # Public offers and private placements;
- # Dividends;
- # Maintenance of share capital and share capital transactions, including reductions of capital, share buy-backs and financial assistance.

Part 4: Corporate Structure

- # Allocation of decision-making powers within companies;
- # Composition and operation of the board of directors;
- # The general meeting of shareholders;
- # The duties and liabilities of directors and officers;
- # Equitable limitations on the power of majority shareholders;
- # Shareholder remedies.

Part 5: Corporate Mortality

- # Because the topics covered in Part 5 are given detailed analysis in another subject (730-422 Insolvency Law) our discussion is necessarily limited to an overview of the topics.

Objectives:

There are at least three broad objectives that could underlie a course in corporations law in a university law school context. They are by no means mutually exclusive, though individual lecturers will have different views on the extent to which the various aims ought to be pursued.

One objective is to develop a working familiarity with a critical understanding of the law by examining existing bodies of principle and regulation and criticising the law from the points of view of logic and policy. As this is the first subject to deal with corporations law and is of limited duration this aim will inevitably be the dominant one.

A second objective is to evaluate the impact on society of corporate and other associations and of the law regulating them, with a view to formulating new policies and programmes of reform. The emphasis in the past in much legal scholarship in the fields of company law, partnership law and the law of unincorporated associations has been on the intricate legal questions arising in private relationships between those who manage or control, those who have supplied capital and those who deal with companies or associations. In recent times, however, the role of companies and associations in the economic and social fabric and the responsibilities of those who control them are being widely re-examined by legal scholars, as well as by economists, sociologists and political scientists. The impact which the large corporation or the non-profit social club has on the economy and our social life is being taken into consideration by reformers of the law. These developments will to some extent affect this basic subject although they are more closely analysed in graduate law subjects offered by the Faculty of Law and in the undergraduate subject Corporate Governance in the Modern Company.

A third objective is to cultivate business planning skills. Practising lawyers assist their clients in the setting up of corporate and other forms of association and in planning particular courses of action in the light, inter alia, of business associations law. It is important that students begin to think about these planning implications of the law. It is important to grasp the significance for the practising lawyer of the difference between, for example, partnerships, trusts, various contractual forms of association falling short of partnership and the various private and public company forms. Some attention will be paid, for example, to the advantage and disadvantage of partnerships compared to proprietary and public company forms. But there are limits to the degree of sophistication which can be attained on the business planning side in a first course in corporations law. Many business planning exercises require attention to a wide range of relevant law, including tax law, as well as to non-legal considerations. The integration of basic knowledge which this involves must be left, for the most part, to later subjects.

The skills students may expect to develop include the following:

- # An ability to locate and apply the basic principles of corporations law to business planning situations and in the ongoing operation of companies;
- # An understanding of the nature of companies' legal personality and its implications for outsiders transacting with, or affected by the activities of, companies;
- # An ability to navigate a complex legislative and regulatory regime, and to appreciate the respective law-making roles of Parliament, the Executive, the regulator, courts, and others involved in standard-setting for corporate behaviour; and

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| | <ul style="list-style-type: none"> # An ability to discuss in an informed way key issues affecting corporations and their stakeholders, and to understand the implications of different theoretical approaches to the manner in which these issues are framed and resolved. |
| Assessment: | Final examination: open book; 3 hours writing time, plus 30 minutes reading time (100%). |
| Prescribed Texts: | Printed materials will be available from the Melbourne Law School;Corporations Act (2011 edition). The basic single volume edition of the legislation is sufficient for this subject. For example, Corporations Legislation 2011, Thomson Reuters. |
| Breadth Options: | This subject is not available as a breadth subject. |
| Fees Information: | Subject EFTSL, Level, Discipline & Census Date, http://enrolment.unimelb.edu.au/fees |
| Generic Skills: | <p>On completion of the subject, students should have developed the following generic skills:</p> <ul style="list-style-type: none"> # Attitudes towards knowledge that include valuing truth, openness to new ideas and ethics associated with knowledge creation and usage; # The capacity for close reading and analysis of a range of sources; # The capacity for critical and independent thought and reflection; # The capacity to solve problems, including through the collection and evaluation of information; # The capacity to communicate, both orally and in writing; # The capacity to plan and manage time; # The capacity to participate as a member of a team; # Intercultural sensitivity and understanding. <p>In addition, on completion of the subject, students should have developed the following skills specific to the discipline of law:</p> <ul style="list-style-type: none"> # Case reading and analysis, including an ability to: <ul style="list-style-type: none"> - Extract important features from judgments; - Reconcile judgments. # Evaluate the development of legal principle; # Apply legal principles arising from case law to new situations; # Statutory reading, interpretation and analysis, including an ability to: <ul style="list-style-type: none"> - Extract important features from statutes; - Evaluate the development of statutory rules; - Use, interpret and apply statutory provisions to new situations. # Legal analysis and problem-solving, including an ability to: <ul style="list-style-type: none"> - Identify and analyse legal issues arising in complex fact situations. |
| Related Course(s): | Bachelor of Engineering (Chemical) and Bachelor of Laws |