



BFA726
Corporate Law
and Regulation
Semester Two 2006

School of Accounting and Corporate Governance

Faculty of Business

Unit Outline

Simone Bingham

CRICOS Provider Code: 00586B

Contact details

Unit coordinator/lecturer

Name:	Simone Bingham, BEc/LLB, GradCertLegPrac, BCom (hons) Barrister and Solicitor of the Supreme Court of Tasmania and the High Court of Australia
Room Number:	421, Level 4, Commerce Building, Hobart
Telephone Number:	6226 2314
Email Address:	Simone.Bingham@utas.edu.au
Consultation Times:	To be advised
Personal Information:	Simone was born in Hobart, graduated from the University of Tasmania in 1990, and then worked in private legal practice in Hobart from 1990 until 2003. In 2001 and 2002 she worked as a casual tutor for the School of Accounting and Corporate Governance. In February 2003 Simone commenced permanent employment as an Associate Unit Coordinator in the School of Accounting & Finance. In 2006 Simone has been involved in teaching taxation, corporate law and regulation, financial management and business law.

Contents

Unit description	1
Learning outcomes	1
Generic graduate attributes	2
Prior knowledge &/or skills	2
Learning resources required	2
Details of teaching arrangements	4
Unit schedule	6
Learning expectations and strategies	7
Specific attendance/performance requirements	8
Assessment	8
How your final result is determined	12
Standardisation	12
Submission of assignments	12
Requests for extensions	13
Penalties	13
Academic referencing	13
Plagiarism	14
Further information and assistance	14
School ombudspersons	14
Students with disabilities - University and Faculty equity plans	15

Unit description

The aim of this unit is to provide you with a broad knowledge of Australian corporation's law and trade practices law as applying to the business activities of companies.

A summary of the curriculum to be covered is set out in the Unit Schedule later in this Unit Outline. Particular knowledge that you will acquire during the unit will relate to matters such as:

- a. requirements for and the effects of the incorporation of companies;
- b. company regulation by the ASIC;
- c. legal relationships between company shareholders/members and company directors and officers;
- d. the regulatory framework imposed on companies and their directors, officers, members and shareholders by the company's constitution, rules of company law and provisions of the *Corporations Act 2001*;
- e. legal relationships between companies and the persons with whom they do business;
- f. legal requirements for capital raising by companies, including the issue of shares and debentures, and understand the rules that apply to the declaration and payment of dividends;
- g. the roles and responsibilities of company directors and auditors in relation to accounts and audit and the role of the *Corporations Act 2001* in this area;
- h. how legal action can be taken against companies and their officers in contract and tort, and how criminal proceedings can be brought against companies and their officers;
- i. the manner in which directors and officers are made accountable to shareholders/members and other stakeholders;
- j. the steps that may be taken in relation to companies that are insolvent or in financial difficulty including winding up and liquidation;
- k. the scope of the *Trade Practices Act 1974* (TPA);
- l. the nature of the restrictive trade practices prohibited by the TPA;
- m. the impact of the TPA on mergers and acquisitions;
- n. the roles of the ACCC and the Australian Competition Tribunal (ACT) in relation to authorisations and notifications of restrictive trade practices; and
- o. how the TPA provisions are enforced and the remedies that are available.

The unit will also help you develop the legal knowledge and skills that you need to effectively study later units in the Master of Professional Accounting (MPA) and the Master of Professional Accounting – Specialisation (MPAS).

Learning outcomes

On completion of this unit, you should:

1. Have a broad knowledge of relevant legal rules and provisions of the *Corporations Act 2001* that apply to companies and their directors, officers, employees, agents, receivers, administrators, liquidators and auditors.

2. Have a broad knowledge of relevant legal rules and provisions of the *Trade Practices Act 1974* insofar as it applies restrictive trade practices and competition policy to companies.
3. Be able to recognise corporate situations where there is a need to consider, research and apply corporations law and trade practices law.
4. Be able to recognise corporate situations where there is a need for professional legal advice.
5. Be able to identify and concisely summarise corporate situations and relevant legal issues so you can provide instructions to, and act upon advice provided by, a legal practitioner.
6. Be able to write a properly constructed and argued academic essay using the Harvard system of referencing.

Generic graduate attributes

By undertaking this unit you will progress in the development of the University of Tasmania's Generic Graduate Attributes in the following ways:

1. *Knowledge*; being able to discuss and apply a range of underlying legal rules and provisions contained in both the Corporations Act 2001 and the Trade Practices Act 1974. This is assessed in assignments, the quizzes and the examination.
2. *Communication skills*; through written activities, being able to effectively communicate the knowledge acquired and your application of it to real life scenarios; being able to present well-reasoned arguments; and being able to access and organise information from a the relevant legislation and case law. This is assessed in assignments and the examination.
3. *Problem-solving skills*; being able to conceptualise problems and formulate solutions to real life corporate situations; to search, evaluate and use appropriate information; to think logically and critically appraise a range of issues.
4. *Global perspective*; since Australian companies often engage in commerce with companies in other countries there will be some consideration of such topics as takeovers and mergers.

Prior knowledge &/or skills

You are not required to have any prior knowledge of law for this unit, although any studies undertaken of the courts, contract law, torts and agency would be advantageous for this unit.

Learning resources required

Prescribed text and legislation

It is essential that you have ready access to the following Textbook and Legislation.

1. Lipton, P. & Herzberg, A., *Understanding Company Law*, 13th edition, 2006, Lawbook Company, Sydney, Australia.

NOTE: The text has a WEBSITE resource at <http://www.lipton-herzberg.com.au/> The site requires you to enter your username and password which you will find in the Preface to your textbook.

2. Lipton, P., Herzberg, A., & von Nessen, P., *Essential Corporations Legislation*, 2006 edition, Lawbook Company, Sydney, Australia.

Buying the prescribed textbook and legislation

For students in Tasmania, the Textbook and Legislation may be purchased from branches of the *Coop Bookshop* on the Hobart campus. If stocks are depleted, the Bookshop will re-order when students request it to do so.

Note the discounted price available if you buy the package of both the Textbook and Legislation together.

Recommended reading

As Trade Practices is not detailed in the prescribed text Lipton & Herzberg, our study of Trade Practices at the end of the unit will utilise Chapter 8 of Latimer, P., *Australian Business Law 2006*, CCH, Sydney, Australia (the prescribed text for *BFA706 Business Law*).

Fleet, W., Summers, J. and Jones, B. 2004, *Communication Skills Handbook for Accounting*, John Wiley & Sons Australia, Milton will also assist you in Assignment 1, both written and oral components.

Recommended additional resources

There is also a Corporations Law 'e-Quiz' comprising multiple choice questions for each chapter of the textbook at <http://www.webmcq.com/cgi-bin/webmcq/mcqllogin.cgi?user=lbc-lipton>

Once we have completed each of the weekly topics, use the Access Code "govern" to access the e-Quiz for the relevant Chapters of the text, as set out in the Unit Schedule. Test yourself, using the e-Quiz feedback function for each of your answers, then re-read relevant pages of the text as given in the e-Quiz feedback for each question.

WebCT Vista

WebCT Vista will be used to supplement your studies in this unit. WebCT Vista may be accessed on computers in computing laboratories at the University or on your computer at home or at work using a web browser. Information about accessing and using this service, about required computer specifications and frequently asked questions, and about how to get help if you experience difficulties, is available at the following University website: <http://www.utas.edu.au/coursesonline/>

The initial WebCT Vista screen provides a "Log in to my WebCT Vista" form at which you should enter your email POP account "User Name" (for example, bsmith) and your "Password". The 'Learning Online' page provides 'Help and Support', 'Computer Requirements', etc. Take the time to look at the links on this page that may be of use to you.

You should note that WebCT Vista is available from any Internet connection and is restricted only by your User Name and password.

Details of teaching arrangements

Workshops

This unit will be taught in a workshop format. There will be three workshop times each week. Students will be allocated to their first workshop group in week 1 and will remain in that workshop group for the rest of the semester.

Each workshop will run for up to 3 hours (the teaching spaces have been reserved for 3 hours) and will consist of a mix of:-

- Formal lectures. This will include practical lecture illustrations;
- Practical workshops. This component which will give you the opportunity to work on practical problems either in groups or on your own;
- Tutorial style exercises. These will help you to develop a fuller understanding of the material covered by the text and presented during the other components of the workshops and will be used to explore topics and to further develop your skills and practical problem solving techniques. You will get feedback on whether you understand each new topic by contributing to discussion in tutorials.

A unit schedule is provided in this unit outline indicating the topics to be introduced each week and the text reference for each of these topics.

You will be provided with lecture slides (6 per page) together with copies of the lecture illustrations and workshop problems. The Lecture Materials contain concise summaries of those parts of the relevant Chapters of the Textbook that are covered in workshops. They are designed to help you to prepare your own study summaries of the detail included in the Textbook.

Answers to a **selected sample** of workshop practical problems will be placed on the unit's Vista web site. Some of the workshop problems will be answered during the group workshop components and/or the tutorials. A copy of a **selected sample** of these will also be made available to you.

A '**List of Cases**' will be made available by the end of Semester, containing the names and dates of the cases cited in the 'Lecture Materials'. The list of cases will help you with your preparations for the final examination in this unit, and you can take it into the final examination (see later). A copy of the List will be placed on WebCT Vista.

You are required to refer to relevant sections of the *Corporations Act 2001* and, where applicable, the *Trade Practices Act 1974* in your assignments and in the final examination. Many sections of legislation are referred to in the Lecture Materials, the Textbook, and Latimer's discussion of the *Trade Practices Act 1974*.

A '**List of Relevant Provisions of Legislation**' identifying the most important sections of the legislation will be made available and placed on WebCT by the end of Semester. The sections on this list are important and you should make yourself familiar with as many of them as possible. The *List of Relevant Provisions of Legislation* will help you particularly with your preparations for the final examination in this unit and you can take it into the final examination.

Copies of '**Past Examination Papers**' will be placed in the "*Unit Information*" area of WebCT. You should refer to past papers when studying for the Final Examination in this unit. It is a useful exercise to select questions from past papers and prepare model answers for them in the course of carrying out your revision and study.

'**Additional Materials**' may be made available to assist with learning and research in this unit. Any such materials will be placed in the "*Unit Resources*" area of WebCT. The Unit

Coordinator will notify you by posting an announcement in the 'Discussion' area when Additional Materials are placed in the "Unit Resources" folder.

Workshop allocation

During the first workshop on the 18th July you will be asked to fill in a form indicating your preferred workshop times. These forms will be collected and you will be allocated to a workshop group for the rest of the semester.

While every effort will be made to accommodate your preferences, priority will be given to those with clashes in other units. Lists of workshop groups will be placed on the unit's WebCT Vista site at the end of Week 1. Look under 'Unit Information' & 'Tutorial Allocations'. Workshops work as groups, and to achieve good group interaction it is imperative that you remain with the group to which you are allocated. Permission must be obtained from your lecturer before you may change groups.

Independent Study Week

To help you develop your private study and research skills and get the most out of studying this Unit, an 'Independent Study Week'. The Independent Study Week is **Week 7**, commencing on Monday the 28th August and concluding on Friday the 1st September 2006.

The objectives of this Week are to:

- Require you to revise the topics covered in Weeks 1-6.
- Give you information regarding the Week 7 topics that would otherwise be covered in lectures and tutorials then require you to research and study these topics, making use of the Lecture Slides, Lecture Materials, Textbook, and the *Corporations Act 2001*.
- Prepare for the in class test that is to take place on the 12th September.
- In **Week 7** you are required to study the **Topics** described in the **Unit Schedule** as:

"Financial Reporting & Auditors"

These topics are examined in two (2) chapters of the textbook namely, **Chapters 15 & 16**".

There are also Lecture Slides and Lecture Materials on WebCT. Carefully read all of the materials and familiarise yourself with the legal principles, case authorities and relevant sections of the *Corporations Act 2001*.

Further information about designated 'Independent Study Weeks' will be found in Part 2.7 of the Faculty's **Guide for Students** at <http://www.utas.edu.au/acffin/studentres.htm>.

Unit schedule

Date	Topic Number and Title		Text Reference
Wk 1 - 17 July	1	<ul style="list-style-type: none"> • Introduction • Regulatory Framework • Company Registration • Types of Companies 	Chapters 1 to 3
Wk 2 - 24 July	2	<ul style="list-style-type: none"> • Registration and its Effects • Company constitution & replaceable rules 	Chapters 2 & 4
Wk 3 – 31 July	3	<ul style="list-style-type: none"> • The Company's relation with outsiders • Promoters & pre-registration contracts • Assignment 1 due 4th August at 4.00pm 	Chapters 5 & 6
Wk 4 - 7 August	4	<ul style="list-style-type: none"> • Fundraising • Debentures & Loan Capital 	Chapters 7 & 11
Wk 5 – 14 August	5	<ul style="list-style-type: none"> • Share capital • Membership • Dividends 	Chapters 8 to 10
Wk 6 - 21 August	6	<ul style="list-style-type: none"> • Corporate Governance & Duties of Directors • Shareholder meetings • Takeovers 	Chapters 13, 14 & 18
Wk 7 - 28 August	7	<p>Independent Study Week – no workshops</p> <ul style="list-style-type: none"> • Financial reporting and Disclosure • Auditors 	Chapters 15 & 16
4 September	Mid Semester Break		

Wk 8 – 11 Sept	8	<ul style="list-style-type: none"> • Members' remedies • In class test – see Assessment Schedule 	Chapter 17
Wk 9 - 18 Sept	9	<ul style="list-style-type: none"> • Receiverships • Voluntary Administrations 	Chapters 23 & 24
Wk 10 - 25 Sept	10	<ul style="list-style-type: none"> • Liquidations 	Chapter 25
Wk 11 – 2 Oct	11	<ul style="list-style-type: none"> • Trade Practices Act 	Latimer Chapter 8
Wk 12 - 9 Oct	12	<ul style="list-style-type: none"> • Problem Solving Workshops 	
Wk 13 - 16 Oct		<ul style="list-style-type: none"> • Revision • Unit review and examination comment • SETL 	

Learning expectations and strategies

Expectations

The University is committed to high standards of professional conduct in all activities, and holds its commitment and responsibilities to its students as being of paramount importance. Likewise, it holds expectations about the responsibilities students have as they pursue their studies within the special environment the University offers.

The University's Code of Conduct for Teaching and Learning states:

Students are expected to participate actively and positively in the teaching/learning environment. They must attend classes when and as required, strive to maintain steady progress within the subject or unit framework, comply with workload expectations, and submit required work on time.

Learning strategies

Encouraging you to study and learn independently is an important goal of university education. It is a feature of a *reflective approach* to learning in which you reflect on what it is you are learning and your learning strategy. It is therefore vitally important that your preparation work be done before you attend workshops. Otherwise, you will gain very little from attendance, and will be unable to contribute.

Depending on your reading and writing skills you should achieve success in this unit if you:

- keep up-to-date with the reading from our text;
- complete all independent study tasks that may be set; attend classes; ask questions;
- practice newly acquired skills;
- consolidate your reading by making appropriate short notes and summaries;
- give yourself plenty of time to write your assignments;
- prepare for and actively participate in the tutorial sessions by asking questions, providing supportive comments and challenging constructively what has been said;
- take responsibility for your own learning; and make use of the support services available.

If you fall behind with your work you will find that you have too much to make up before the examination and will be under-prepared.

Specific attendance/performance requirements

There are no specific attendance requirements in this unit, but in order to pass you must submit the assignment and achieve an overall mark of at least 50%.

Assessment

Assessment schedule

Assessment task	Date due	Percent weighting
1 – Essay	Week 3 – 4 August at 4.00pm	10%
2 - Test	Week 8 – 12 September (in lecture)	10%
3 – Company Journal	Week 12 – 11 October at 4.00pm	15%
4 – Workshop participation	Throughout the semester	5%
5 - End of semester exam – 3 hours closed book		60%

Assessment details

Assessment task 1 – 10% - Short Essay

Task description	Short Essay. At the first lecture you will be given an information sheet with the assignment topic, suggested references and detailed criteria by which the essay will be marked.
Task length	maximum 1 200 words
Links to unit's learning outcomes	Learning outcomes 1, 5 & 6
Assessment criteria / guidelines	<ul style="list-style-type: none">• Appropriate use of source material• Logical structure and development• Appropriate academic writing style• Grammatical correctness
Date due	Friday 4 August at 4.00pm

Assessment task 2 – 10% - In class test

Task description	In class test
Task length	1 hour
Links to unit's learning outcomes	Learning outcomes 1 & 4
Assessment criteria / guidelines	<p>The test will contain a series of:</p> <ul style="list-style-type: none">• Multiple choice questions; and• Written short questions <p>All questions will be related to topics introduced in the Weeks 1 to 7. More information about the test will be provided in the lecture the week before the test</p>
Date due	The test will be administered in class in Week 8 (on 12 September).

Assessment task 3 – 15% - Company Journal

Task description	Company Journal
Task length	Maximum 4000 words
Links to unit's learning outcomes	Learning outcomes 2 to 5 inclusive.
Assessment criteria / guidelines	<p>At the conclusion of each workshop the unit coordinator will provide up to 5 questions covering the material that will be presented in the following workshop.</p> <p>These questions will be of a very practical nature and are intended to focus students on the real life questions that individuals who are either setting up a company or buying shares in an existing company might need to ask and have answered.</p> <p>Students are expected to prepare answers of no more than 100 words per question. Students should be able to discuss their answers during the following workshop. These answers are to be recorded in the student's company journal/report.</p> <p>Students will also be encouraged to ask their own questions to bring along to workshops for discussion.</p> <p>More information about the company journal will be provided in the second workshop.</p>
Date due	Wednesday 11 October at 4.00pm

Assessment task 4 – 5% - Workshop participation

Description / conditions Verbal participation during workshops. All students are required to have knowledge of the material being presented at the workshops, in particular to the 5 company journal questions that are asked by the unit coordinator in the previous workshop.

Students are expected to be able to work in the groups in which they are placed from time to time by the unit coordinator and to discuss the workshop and tutorial problems with their peers and to answer questions asked by the unit coordinator and/or other students during the workshops.

Links to unit's learning outcomes Learning outcomes 1 & 5

Assessment criteria / guidelines Students will be assessed on how often they contribute in workshops, by either asking or answering questions.

Students will not be assessed during this assessment task on the correctness of their oral contributions.

Date Ongoing

Assessment task 5 – 60%

Description / conditions A 3 hour closed book final examination. Information about the content of the examination will be provided in the workshop in Week 13

Date The final examination is conducted by the University Registrar in the formal examination period. See the **Current Students** homepage (Examinations and Results) on the University's website.

Assessment/Learning Outcomes/Generic Graduate Attributes Matrix

Assessment task: 1	Short essay				
Assessment task: 2	In-class test				
Assessment task: 3	Company Journal				
Assessment task: 4	Class participation				
Learning Outcomes:					
	Learning outcome 1	√		√	√
	Learning outcome 2		√		
	Learning outcome 3		√		
	Learning outcome 4		√	√	
	Learning outcome 5	√	√		√
	Learning outcome 6				√
UTas Generic Graduate Attributes:					
	Knowledge	√	√	√	√
	Communication skills	√	√	√	√
	Problem-solving skills	√	√	√	
	Global perspective		√		

Matrix adapted from Unit Outline, Faculty of Business, University of the Sunshine Coast 2003

How your final result is determined

Your final result is determined by aggregating the assessment as detailed in the assessment schedule as set out above. You must attempt every piece of assessment and gain an overall mark of 50% in order to pass the unit.

Standardisation

In order to maintain the high reputation of the School of Accounting and Corporate Governance in the wider community – educationally, academically and by business – the School does not standardise student results. Rather, the School expects high standards of its students, and insists that students devote sufficient time and effort to their studies throughout the semester to achieve grades of pass or higher on merit.

Submission of assignments

Your assignment is to be presented and submitted in accordance with the *Guide for Students - Presentation and Submission of Assignments* issued by the Faculty of Business. You must attach an **assignment cover sheet** when you submit your assignment. Cover sheets are available on the unit's Vista web site under "Unit information". Your attention is also particularly drawn to the University's rules on **plagiarism**. Assignments containing any plagiarised information will be subject to the disciplinary processes of the University.

Assignments will be marked as quickly as possible after all have been submitted, and returned with comments and grades awarded.

Requests for extensions

Consistent with the Faculty's policy on late submission, extensions of time will only be granted on medical or compassionate grounds. They will **not** be granted because of work or other commitments. Requests for extension must be made to the unit coordinator in writing on the School's Application of Extension Form (available on WebCT Vista) **before** the due date of the assignment. Medical certificates or other evidence, which supports the application, must be attached and must contain information, which justifies the extension sought.

Penalties

Over-length Work

Where word limits have been specified, students should take care not to exceed this word limit, as any course work exceeding the word limit will not be assessed. It will be returned to the student/s for re-submission and must be resubmitted within 48 hours of being returned. A penalty of 20% of the total mark will be automatically deducted should any assignment need to be resubmitted. The word limit does not include footnotes or references.

Late Submission of Continuous Coursework

The penalty for late submission of assignments in this Unit is 10% of the available mark for each day the assignment is late.

Academic referencing

In your written work you will need to support your ideas by referring to scholarly literature, works of art and/or inventions. It is important that you understand how to correctly refer to the work of others and maintain academic integrity.

Failure to appropriately acknowledge the ideas of others constitutes academic dishonesty (plagiarism), a matter considered by the University of Tasmania as a serious offence.

The appropriate referencing style for this unit is the Harvard referencing method. Refer to the Faculty of Commerce Guide for Students at <http://www.utas.edu.au/accfm/studentres.htm>

A recommended text for this unit, Fleet, W, Summers & Smith, B. 2004, *Communication Skills Handbook for Accounting*, also provides detailed information about using the Harvard referencing system.

For information on presentation of assignments, including referencing styles:

<http://www.utas.edu.au/library/assist/gpoa/gpoa.html>

Please read the following statement on plagiarism. Should you require clarification please see your unit coordinator or lecturer.

Plagiarism

Plagiarism is a form of cheating. It is taking and using someone else's thoughts, writings or inventions and representing them as your own; for example, using an author's words without putting them in quotation marks and citing the source, using an author's ideas without proper acknowledgment and citation, copying another student's work.

If you have any doubts about how to refer to the work of others in your assignments, please consult your lecturer or tutor for relevant referencing guidelines, and the academic integrity resources on the web at <http://www.utas.edu.au/tl/supporting/academicintegrity/index.html>. The intentional copying of someone else's work as one's own is a serious offence punishable by penalties that may range from a fine or deduction/cancellation of marks and, in the most serious of cases, to exclusion from a unit, a course or the University. Details of penalties that can be imposed are available in the Ordinance of Student Discipline – Part 3 Academic Misconduct, see <http://www.utas.edu.au/universitycouncil/legislation/>

The University reserves the right to submit assignments to plagiarism detection software, and might then retain a copy of the assignment on its database for the purpose of future plagiarism checking.

For further information on this statement and general referencing guidelines, see <http://www.utas.edu.au/plagiarism/> or follow the link under 'Policy, Procedures and Feedback' on the **Current Students** homepage.

Further information and assistance

If you are experiencing difficulties with your studies or assignments, have personal or life planning issues, disability or illness which may affect your course of study, you are advised to raise these with your lecturer in the first instance.

There is a range of University-wide support services available to you including Teaching & Learning, Student Services, and International Services. Please refer to the **Current Students** homepage at: <http://www.utas.edu.au/students/>

Should you require assistance in accessing the Library visit their website for more information at <http://www.utas.edu.au/library/>

School ombudsperson

If you have any concerns about this unit then in the first instance you should discuss the matter with your lecturer. However, if you do not feel comfortable approaching your lecturer, or if you do have a discussion with the lecturer and are dissatisfied with the outcome, then you may contact the following person who also teaches in the School of Accounting and Corporate Governance:

Mr. David Moore
Room: A259, Launceston campus
Telephone: 6234 3558
E-mail: David.Moore@utas.edu.au

Students with disabilities - University and Faculty equity plans

Goal 1 of the University of Tasmania Equity Plan provides for: “An inclusive teaching and learning environment that values diversity, supports the pursuit of academic excellence and produces high quality education and employment results for all students and staff”.

The Faculty of Commerce Equity Plan facilitates the University Plan at an operational level and has developed an ‘Action Plan’. The Action Plan for Goal 1 lays down procedures to ensure that all students, including those with disabilities, have equal access to lecture and course materials. The School of Accounting & Finance complies with these procedures.

Occupational health and safety (OH&S)

The University is committed to providing a safe and secure teaching and learning environment. In addition to specific requirements of this unit you should refer to the University’s policy at: http://www.admin.utas.edu.au/hr/ohs/pol_proc/ohs.pdf
