

**City University of Hong Kong
Course Syllabus**

**offered by School of Law
with effect from Semester A 2019/20**

Part I Course Overview

Course Title: Company Law I

Course Code: LW5656

Course Duration: One Semester

Credit Units: 3

Level: P5

Medium of Instruction: English

Medium of Assessment: English

Prerequisites: For 2013 cohort and thereafter:
LW5621 Legal Systems of Hong Kong and Mainland China,
LW5622 Legal Methods, Research and Writing, and
LW5602 Law of Contract

Precursors: For 2012 cohort and before: LW2602A Law of Contract I and LW2602B
Law of Contract II or LW5602 Law of Contract

Equivalent Courses: LW6103E Company Law I

Exclusive Courses: Nil

Part II Course Details

1. Abstract

This course examines the law and regulation of companies and other business organisations: the formation, management and operation of companies, corporate governance, the constitutional framework of corporate bodies, the relationship between the internal stakeholders of the company, as well as their relationship with external parties. The course will analyse the theoretical underpinning of the legal rules and principles of corporate law, as well as the policy drivers behind the shaping of corporate law.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	DEC related learning outcomes		
			A1	A2	A3
1.	Describe and explain the basic principles of the law relating to companies.	20%	✓		
2.	Apply the principles of company law to solve legal problems by: <ul style="list-style-type: none"> • analysing cases • interpreting statutes • conducting independent research on the law and relevant legal issues • marshalling arguments clearly, logically, coherently and effectively, both orally and in writing. 	30%	✓	✓	
3.	Research, analyse and critically evaluate: <ul style="list-style-type: none"> • legal principles and doctrines in company law in light of both doctrinal coherence and in relation to the policy objectives of the law • the implications of company law in facilitating or limiting the achievement of a business's commercial or other goals and in balancing the competing interests of the investors, creditors, managers, employees and the public. 	50%	✓	✓	✓
		100%			

A1: Attitude

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.

A3: Accomplishments

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Teaching and Learning Activities (TLAs)

(TLAs designed to facilitate students' achievement of the CIOs.)

TLA	Brief Description	CISO No.			Hours/week (if applicable)
		1	2	3	
Lectures	Students will receive guidance on their reading and research through multimedia or other presentations. Students' understanding will be enhanced by seeing the operation of the law in case studies, and through group discussions.	✓	✓	✓	2
	Students will be introduced to issues and concerns and aspects of the operation of the substantive rules of company law.			✓	
Reading of cases, statutes and other material, and research	Students will acquire knowledge of the substantive rules of company law through set readings as well as readings acquired through the student's own research.	✓	✓		
	Students will learn and evaluate conceptual and policy issues in company law through set readings as well as readings acquired through the student's own research.			✓	
Several lectures will include small group / interactive sessions	Students will analyse cases, interpret statutes, and may need to research issues of company law. Students will apply relevant legal analysis to case study situations, thereby developing issue recognition, problem solving and application skills. Students will present arguments orally and may need to provide written submissions.		✓		1
	Students will scrutinise, analyse and evaluate issues and concerns in the field of company law through group discussions.			✓	

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CIOs.)

Assessment Tasks/Activities	CISO No.			Weighting	Remarks
	1	2	3		
Continuous Assessment: 50%					
Assignment				30%	
Students' ability to conduct in-depth research, analyse primary and secondary materials, synthesize the material, and evaluate the legal question/s.			✓		
Small group discussions				20%	
Students' ability to research, analyse and resolve problems, and to communicate arguments orally and in writing will be tested.		✓			
Students' ability to analyse and critically evaluate the law will be tested.			✓		
Examination (duration: 2 - 3 hours)				50%	
Students' ability to apply the principles of company law to given situations, to resolve problems, and to communicate arguments in writing will be tested.		✓			
				100%	

Grading of Student Achievement: Standard (A+ A A- ... F)

To pass this course students must obtain an aggregate mark of 40% and a minimum of 40% in each of the coursework and the examination elements of the assessment. Coursework for this purpose means those ways in which students are assessed otherwise than by the end of session examination.

The portion of the overall mark allocated to performance/participation in inter-active in class activities will be assessed on the quality of the participation. Assessment criteria for those activities, their nature and their timing will be set out in the study guide/course manual and will be further expanded upon by the course leader.

The duration of the examination is 2 to 3 hours.

To enable the full benefit to be obtained from this course, students should attend all of the classes, read analytically the assigned material, and participate actively in tutorials.

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Examination	1.1 Perspicacity in identifying the nature of the legal issue/s implicated	High	Significant	Moderate	Basic	Inadequate
	1.2 Sophistication in analysis	High	Significant	Moderate	Basic	Inadequate
2. Assignment	2.1 Depth of research	High	Significant	Moderate	Basic	Inadequate
	2.2 Synthesis and argument	High	Significant	Moderate	Basic	Inadequate
3. Small Group Discussion	3.1 Preparedness and contribution	High	Significant	Moderate	Basic	Inadequate
	3.2 Ability to work in groups	High	Significant	Moderate	Basic	Inadequate

Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

(An indication of the key topics of the course.)

- Historical development of the registered company.
- Different forms of business organisations: sole proprietorship; partnership, registered company.
- Partnership law principles.
- Legal personality, liability of companies and piercing the corporate veil.
- The constitution of registered companies (memorandum and articles).
- Corporate capacity.
- Corporate contracting.
- Corporate management.
- Minority protection.
- Corporate governance.

Detailed Syllabus:

- The historical and economic background to the development of the registered company in Hong Kong.
- An examination of the organisational modes in which business activities may be conducted: sole proprietorship; partnership, registered company – their legal status powers and characteristics.
- Partnership law – nature of partnership, creation of a partnership, powers and duties of partners, relationship with persons dealing with the firm, dissolution of partnerships.
- Comparison of partnerships and registered companies.
- Legal personality, liability of companies and piercing the corporate veil.
- The constitution of registered companies, the effect of the memorandum and articles. Constitutional change; alteration of articles and memorandum, alteration of class rights.
- Corporate capacity.
- Corporate management: Directors and their duties; division of power and role of board of directors and members meetings.
- Directors' authority, agency principles, and *Turquand's* case.
- Minority protection; rule in *Foss v Harbottle* and exceptions, just and equitable winding-up, unfair prejudice.
- Corporate governance.

2. Reading List

Text: Lo & Qu, *Law of Companies in Hong Kong*, Sweet & Maxwell (latest edition).

Statutes: Companies Ordinance (Cap 622)

You are advised to print a paper copy from the pdf available from <https://www.elegislation.gov.hk/>, or purchase a copy from a commercial publisher.

Recommended Readings:

Books:

- *Gower and Davies' Principles of Modern Company Law*, Sweet and Maxwell, London (latest edition)
- *Ford's Principles of Corporations Law*, Butterworths, Australia (latest edition)
- *Hicks & Goo's Cases and Materials on Company Law*, Oxford University Press, Oxford (latest edition)
- Morse G, *Partnership Law*, Blackstone, London (latest edition)
- *Lindley and Banks on Partnership*, Sweet and Maxwell, London (latest edition)

Specialist law reports on company law:

- Butterworths Company Law Cases (BCLC)
- British Company Cases (BCC)
- Australian Company Law Cases (ACLC)
- Australian Corporations and Securities Reports (ACSR)

Law journals specialising in company and business law:

- Australian Journal of Corporate Law (Aust Jnl of Corp Law)
- Company and Securities Law Journal (C & SLJ)
- The Company Lawyer (Co Law)
- Journal of Corporate Law Studies (JCLS)

Law reform papers:

- Companies Law Revision Committee, First Report: Protection of Investors, 1971; Second Report: Company Law, 1973
- Consultancy Report Review of the Hong Kong Companies Ordinance (Pascutto Report) 1997
- Standing Committee on Company Law Reform Report on Pascutto Report 2000
- Standing Committee on Company Law Reform Consultation Paper on the Proposals made in Phase I of the Corporate Governance Review 2001
- Standing Committee on Company Law Reform Consultation Paper on the Proposals made in Phase II of the Corporate Governance Review 2003
- Annual Reports of the Standing Committee on Company Law Reform

Online Resources:

- Companies Registry, <http://www.info.gov.hk/cr>
- Securities and Futures Commission, <http://www.hksfc.org.hk>
- Hong Kong Stock Exchange, <http://www.hkex.com.hk/index.htm>