

**THE UNIVERSITY OF HONG KONG
FACULTY OF BUSINESS AND ECONOMICS**

**School of Business
Spring Semester 2011
Course Code BUS10010B– Company Law**

I. Information on Instructor and Tutor

Instructor: Mr. David Woods
Email: woods@business.hku.hk
Office: Rm209, Meng Wah Complex
Office Phone: 2857 8352
Consultation times: Wednesday 2:00 – 5:00 p.m.

Tutor: Mr. Thomas Ng (Rm 601B Meng Wah Complex)
Email: thomasng@business.hku.hk
Mobile Phone: 9695 0008
Consultation times: Monday to Friday via appointment

II. Delivery:

Within the semester, students shall receive three hours in lectures and one hour tutorial per week.

III. Aims:

The aims of the course are to develop students' knowledge and understanding of the main concepts, principles and rules of Company Law, bearing in mind the contribution of Partnership Law. The course will explore the economic and political context of Company Law and in particular the way in which the law seeks to strike a balance between the interests of companies, share holders, creditors and the public.

IV. Methods of assessment

- In class oral presentation
- In class demonstration
- Individual written assignment based on a case study
- Examination

V. Course Content:

Week 1

- Introduction to the Hong Kong Legal System and Method; contrast Civil Law System and Method.

Week 2

- Introduction to business organizations: partnership and the registered company; fundamental concepts including legal personality, capacity, agency and fiduciary duty.

Week 3

- Company formation and constitution; the Articles and Memorandum of Association; types of company.

Week 4

- Group organization; multi-national organization; regulation of abuse of the corporate form; lifting the veil of incorporation.

Week 5

- Share Capital: general principles; types and classes of share; dividends.

Week 6

- Loan Capital: debentures and charges; priority of charges.

Week 7

- Company officers; directors powers and duties; business ethics.

Week 8

- Control of companies; majority rule and minority protection at common law and by statute.

Week 9

- Corporate administration; company meetings; the role of the auditor.

Week 10

- Outline of the winding up process and dissolution; powers and duties of the liquidator; priority of creditors in a winding up; voidable transactions.

VI. Assessment

Class presentation: In the corresponding tutorials following the lectures, students in each group will be divided into groups. The teams must collaborate to prepare a presentation on the relevant topic.

Throughout the semester each student within the group must give an oral presentation, discussing and analysing the issues. After both teams have presented in each tutorial session, there will be a general discussion and the tutor will give appropriate feedback. Each student shall be awarded a mark.

Class presentation: 20%

Written assignment: Each student must submit an individual assignment based on a case study (Approximately 2000-3000 words)

Written assignment: 30%

End of Semester Examination: 50%

VII. Learning Outcomes

On successfully completing the course students will be able to:

- Explain the way in which the law is created and administered in common law and civil law legal systems. This will be achieved by a consideration of the issues and an in-class presentation in tutorial.
- Examine the notions of legal personality capacity, agency, fiduciary and care / skill duties in the corporate context. Students will deliver an oral presentation in tutorial.

- Critically assess the main concepts of Hong Kong company law within the context of “real-life” business scenarios. Students will make an in-class presentation.
- Compare the various corporate forms and assess their effectiveness in a business context. Students will make an in-class presentation.
- Demonstrate the inter-relationship of members directors, creditors the public and the registered company. Students will create a diagram and explain the relationship in tutorial.
- Analyse and critically evaluate the role, powers and duties of a company director (and other officers) at common law, by statute and by virtue of self-regulation. Students will create a diagram and explain the inter-relationship in tutorial. This will be followed by a discussion of the issues.
- Explain the various ways by which a company may be capitalized. An oral presentation in tutorial will be used to elucidate this.
- List the priority of creditors in relation to company charges. Students shall list the priority on the basis of a case study presented in tutorial.
- Examine the notions of “control” and “minority protection” in relation to the registered company. Students will make an in-class presentation.
- Summarize the winding up process, explain the function, powers and duties of a liquidator and identify the priority of creditors. Students will list the priority of creditors and explain any possible defects in their claims.
- Examine the law relating to the practice and procedure of a company meeting. Students will engage in a role – playing exercise.

VIII. Reading materials

- Essential

Stott V., Hong Kong Company law (Longman)

Supplementary

Smart P., Lynch K., Tam A., Hong Kong Company Law – Cases and Materials (Butterworth’s)