

**City University of Hong Kong
Course Syllabus**

**offered by Department of Accountancy
with effect from Semester A 2024/25**

Part I Course Overview

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|--|------------------------------------|
| Course Title: | <u>Corporate Governance</u> |
| Course Code: | <u>AC5690</u> |
| Course Duration: | <u>1 semester</u> |
| Credit Units: | <u>3</u> |
| Level: | <u>P5</u> |
| Medium of Instruction: | <u>English</u> |
| Medium of Assessment: | <u>English</u> |
| Prerequisites: <i>(Course Code and Title)</i> | <u>Nil</u> |
| Precursors: <i>(Course Code and Title)</i> | <u>Nil</u> |
| Equivalent Courses: <i>(Course Code and Title)</i> | <u>FB5690 Corporate Governance</u> |
| Exclusive Courses: <i>(Course Code and Title)</i> | <u>Nil</u> |

Part II Course Details

1. Abstract

This course aims to enable students to integrate ethics into how effective corporate governance should be structured and operated within the modern corporate setting, having regard to legal arrangements and social economic theories.

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) | Discovery-enriched curriculum related learning outcomes (please tick where appropriate) | | |
|-----|--|------------------------------|---|----|----|
| | | | A1 | A2 | A3 |
| 1. | Identify the determinants of corporate governance mechanisms including legal, internal and social responsibility factors as documented in the corporate governance research. | 25% | √ | √ | |
| 2. | Construct an effective corporate governance framework applicable to different legal systems & corporate structures. | 25% | √ | √ | |
| 3. | Solve corporate governance issues using the framework & theories developed in the corporate governance literature & with regard to ethical issues. | 25% | | √ | √ |
| 4. | Provide direction to the Board of Directors with regard to the setting up or improvement of a corporate governance mechanism. | 25% | | √ | √ |
| | | 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 real-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. Learning and Teaching Activities (LTAs)

(LTAs designed to facilitate students' achievement of the CILOs.)

| LTA | Brief Description | CILO No. | | | | Hours/week (if applicable) |
|---|--|----------|---|---|---|----------------------------|
| | | 1 | 2 | 3 | 4 | |
| Interactive lectures* | Impart key knowledge from the corporate governance literature regarding the nature of corporations, information asymmetry, agency theory, ethics and corporate governance structures; Students will participate in discussions after the lecturer sets the agenda and questions for class discussions. | √ | √ | | | 3hrs/wk |
| Small group written report on an assigned case-based real world corporate governance problem* | Students will work in groups: To select a listed company for their analysis; To identify strengths and weaknesses in corporate governance of the company and discuss related ethical issues; To suggest ways to strengthen corporate governance; To support the analyses and recommendations with the findings from prior corporate governance research. | | | | √ | 3 hrs/wk for 6 weeks |
| Group case analysis and presentations of corporate governance issues* | Students will summarise and discuss the findings on an assigned case-based real world corporate governance problem in a group presentation. | | | √ | | 3 hrs/wk for 5 weeks |

* DEC LTA element

Embeds research elements in the course design: Key theories and findings in the corporate governance literature are contained in the lecture notes and discussed during the seminar time.

4. Assessment Tasks/Activities (ATs)

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

| Assessment Tasks/Activities | CILO No. | | | | Weighting | Remarks |
|--|----------|---|---|---|-----------|---------|
| | 1 | 2 | 3 | 4 | | |
| Continuous Assessment: <u>50%</u> | | | | | | |
| <u>2-hour mid-term examination</u> [#] Students will be assessed via mid-term examination their understanding of theories learnt in class, their ability to identify corporate governance weaknesses, and their ability to apply theories to cases. | √ | | | | 25% | |
| <u>Group presentations</u> [#] Students will work in groups, prepare and deliver presentations on selected real business world cases around the globe. Students are required to construct a corporate governance framework and provide solutions based on it for companies in different legal regimes. | | √ | √ | | 10% | |
| <u>Written report</u> [#] Students will work in groups, to critically evaluate the corporate governance structure while applying theories covered in class, and offer recommendations for a listed firm of their choice. Students are required to search for disclosures made by the firm to analyse the corporate governance structure. | | | | √ | 15% | |
| Examination: <u>50%</u> (duration: 3 hours) [Closed-book examination] | | | | | | |
| <u>Final examination</u> Students will be assessed via examination their understanding of concepts and theories learnt in class. | √ | √ | √ | √ | 50% | |
| | | | | | 100% | |

[#] DEC AT element

Embeds research elements in the course design: In the group project in which students analyse the governance structures of selected listed companies, students are required to cite arguments and/or findings from prior studies to guide their analyses and support their conclusions. The final exam or the mid-term test contains at least one question which requires students to contrast and discuss the findings from two papers examining the same governance issue in different institutional settings.

Students are required to pass both coursework and examination components to guarantee to pass the course. Failing either component may lead to failure in the course. The passing mark is generally 50.

5. Assessment Rubrics

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

Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter

| | Assessment Task | Criterion | Excellent (A+, A, A-) | Good (B+, B, B-) | Fair (C+, C, C-) | Marginal (D) | Failure (F) |
|----|---|--|--------------------------|---------------------|---------------------|-----------------|-----------------------------------|
| 1. | Mid-term examination; and Final examination | Develop an attitude and the ability to identify the determinants of corporate governance mechanisms including legal, internal and social responsibility factors. | High | Significant | Moderate | Basic | Not even reaching marginal levels |
| 2. | Group presentations; and Final examination | Develop an attitude and the ability to construct an effective corporate governance framework applicable to different legal systems & corporate structures. | High | Significant | Moderate | Basic | Not even reaching marginal levels |
| | | Develop the ability to solve corporate governance issues using the framework & theories developed in the course & with regard to ethical issues. | High | Significant | Moderate | Basic | Not even reaching marginal levels |
| 3. | Written report; and Final examination | Develop the ability to provide direction to the Board of Directors with regard to the setting up or improvement of a corporate governance mechanism. | High | Significant | Moderate | Basic | Not even reaching marginal levels |

Applicable to students admitted from Semester A 2022/23 to Summer Term 2024

| Assessment Task | Criterion | Excellent (A+, A, A-) | Good (B+, B) | Marginal (B-, C+, C) | Failure (F) |
|--|--|--------------------------|-----------------|-------------------------|-----------------------------------|
| 1. Mid-term examination; and Final examination | Develop an attitude and the ability to identify the determinants of corporate governance mechanisms including legal, internal and social responsibility factors. | High | Significant | Basic | Not even reaching marginal levels |
| 2. Group presentations; and Final examination | Develop an attitude and the ability to construct an effective corporate governance framework applicable to different legal systems & corporate structures. | High | Significant | Basic | Not even reaching marginal levels |
| | Develop the ability to solve corporate governance issues using the framework & theories developed in the course & with regard to ethical issues. | High | Significant | Basic | Not even reaching marginal levels |
| 3. Written report; and Final examination | Develop the ability to provide direction to the Board of Directors with regard to the setting up or improvement of a corporate governance mechanism. | High | Significant | Basic | Not even reaching marginal levels |

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.)

Introduction to Corporate Governance Related Social Economic Theories.
Introduction to Development of Corporate Governance.
Corporate Governance Environment.
Internal Corporate Governance Factors.
Company Secretary and Corporate Administrator.
External Corporate Governance Factors.
Corporate governance and business ethics.
Stakeholder orientation in corporate governance.
Corporate social responsibility and ESG practices.

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

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| 1. | Larcker, D., and Tayan, B. <i>Corporate governance matters: A closer look at organizational choices and their consequences</i> , latest edition, Pearson Education. |
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2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)

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| 1. | Solomon, J., <i>Corporate Governance & Accountability</i> , latest edition, John Wiley & sons |
| 2. | Jones, G., <i>Corporate Governance & Compliance in Hong Kong</i> , latest edition, LexisNexis |
| 3. | Tricker, B., <i>Corporate Governance: Principles, Policies & Practices</i> , latest edition, Oxford University Press |
| 4. | Mailin, C., <i>Corporate Governance</i> , latest edition, Oxford University Press |
| 5. | Additional notes will be downloaded onto the Canvas site from time-to-time |
| 6. | Corporate web sites that discuss their own corporate governance structures |
| 7. | The Hong Kong Chartered Governance Institute (HKCGI) online study materials of the Chartered Governance Qualifying Programme (CGQP) Modules Corporate Governance, Hong Kong Company Law, and Interpreting Financial and Accounting Information. |
| 8. | The Personal Data (Privacy) Ordinance |