

# LW4656: COMPANY LAW I

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## Effective Term

Semester A 2024/25

## Part I Course Overview

### Course Title

Company Law I

### Subject Code

LW - Law

### Course Number

4656

### Academic Unit

School of Law (FL)

### College/School

School of Law (FL)

### Course Duration

One Semester

### Credit Units

3

### Level

B1, B2, B3, B4 - Bachelor's Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

LW2903 Business and Law for BBA Students

### Precursors

LW2602A Law of Contract I and LW2602B Law of Contract II

### Equivalent Courses

LW4148 Company Law (LLB) (from the old curriculum).  
LW4148A Company Law (AMLLB) (from the old curriculum)  
LW5656 Company Law I

### Exclusive Courses

Nil

## Part II Course Details

### 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.

### Course Intended Learning Outcomes (CILOs)

CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1 Describe and explain the basic principles of the law relating to companies.	20	x		
2 Apply the principles of company law to solve legal problems by: - 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	x	x	
3 Research, analyse and critically evaluate: - 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	x	x	x

#### 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.

### Learning and Teaching Activities (LTAs)

LTAs		Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	Students will receive guidance on their reading and research through multimedia or other presentations. Students will deepen their understanding by seeing the operation of the law in case studies and by engaging in group discussions.	1, 2, 3	2
2	Lectures	Students will engage with issues and concerns and aspects of the operation of the substantive rules of company law.	3	
3	Reading of cases, statutes and other material, and research	Students will acquire knowledge of the substantive rules of company law through set readings and other materials acquired through the student's own research.	1, 2	
4	Reading of cases, statutes and other material, and research	Students will learn and evaluate conceptual and policy issues in company law through set readings and other materials acquired through the student's own research.	3	
5	Small group discussion / interactive sessions	Students will analyse cases, interpret statutes, and may also conduct their own research on 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.	2	
6	Small group discussion / interactive sessions	Students will scrutinise, analyse and evaluate issues and concerns in the field of company law through group discussions.	3	1

7	Small group discussion / interactive sessions	Students will develop self-confidence in application of legal principles, advocacy skills and public speaking.	3	
8	Small group discussion / interactive sessions	Students will develop greater intellectual and interpersonal maturity.	3	

**Assessment Tasks / Activities (ATs)**

ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)	
1	Research paper (to be completed in groups of not more than 2 persons): Students' ability to conduct in-depth research, analyse primary and secondary materials, synthesize the material, and evaluate the legal question/s.	3	30	
2	Class participation: 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. Confidence building and students' maturity	1, 2, 3	10	

**Continuous Assessment (%)**

40

**Examination (%)**

60

**Examination Duration (Hours)**

2-3

**Additional Information for ATs**

Examination (Open book): Students' ability to apply the principles of company law to given situations, to resolve problems, and to communicate arguments in writing will be tested.

The use of Generative AI tools is not allowed unless specific instructions are given as to how they are to be used.

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 30% 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.

### **Assessment Rubrics (AR)**

#### **Assessment Task**

##### 1. Examination

#### **Criterion**

- 1.1 Perspicacity in identifying the nature of the legal issue/s implicated;
- 1.2 Sophistication in analysis

#### **Excellent (A+, A, A-)**

High

#### **Good (B+, B, B-)**

Significant

#### **Fair (C+, C, C-)**

Moderate

#### **Marginal (D)**

Basic

#### **Failure (F)**

Inadequate

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#### **Assessment Task**

##### 2. Research paper

#### **Criterion**

- 2.1 Depth of research;
- 2.2 Synthesis and argument

#### **Excellent (A+, A, A-)**

High

#### **Good (B+, B, B-)**

Significant

#### **Fair (C+, C, C-)**

Moderate

#### **Marginal (D)**

Basic

#### **Failure (F)**

Inadequate

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### Assessment Task

#### 3. Class participation

##### Criterion

- 3.1 Preparedness and contribution;
- 3.2 Ability to work in groups;
- 3.3 Confidence building and students' maturity

##### Excellent (A+, A, A-)

High

##### Good (B+, B, B-)

Significant

##### Fair (C+, C, C-)

Moderate

##### Marginal (D)

Basic

##### Failure (F)

Inadequate

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## Part III Other Information

### Keyword Syllabus

- 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.

### Reading List

#### Compulsory Readings

	Title
1	Refer to the attached reading list