



Module Specification

Key Information			
Module title	Corporate Governance and Ethics		
Level	7	Credit value	15
Lead College	QMUL	Notional study hours and duration of course	150
Module lead author/ Subject matter expert	Dr Costantino Grasso		
Module co-author(s)	None		
Notice to students	None		

Rationale for the module
<p>The module covers issues affecting both the business community and the wider societal effects of the debate on corporate governance. Conceptually, the module is divided into four parts. The first investigates the origins of modern corporations, examines the most relevant corporate theories (e.g. concession theory, aggregate theory, realist theory) and analyses the influence that these theories have exerted on corporate governance. The second part deals with some of the most important corporate governance legal issues, analysing them from both a theoretical and practical perspective (e.g. the Dodd-Berle debate concerning the relationship between shareholders and managers, the concept of islands of conscious power analysed by Coase, the agency cost theory developed by Jensen and Meckling). In the third part, the module focuses on the UK corporate governance debate and the various corporate governance solutions originating from it. Specifically, it examines the origin and evolution of the UK Corporate Governance Code, analysing the work of the various relevant committees up to the Walker Report, 2009. Finally, the last part of the module deals with several scenarios in which the adoption of unethical corporate governance approaches led to the infringement of fundamental rights and produced adverse effects in the corporate world and broader society (e.g. the Kreuger and Toll Scandal, the collapse of Enron, the financial crisis). As a result, the module establishes essential links with other relevant modules in several areas (e.g. corporate management, corporate finance).</p>

Aims of the module
<p>The module aims to inform and educate students on the systems by which companies are or should be directed and controlled. At the end of the module, students have an enhanced knowledge of core corporate governance issues as well as the various theories that seek to explain the position of, and relationship between, the company and its members, managers and other stakeholders.</p>

Topics covered in this module:

1. The Dawn of Modern Corporations;
2. The Emergence of Giant Enterprises, the Great Crash and the Great Depression;
3. The Nature of Corporations and the Separation of Ownership from Control;
4. The Emergence of Outsider Corporate Governance Systems in the UK and US;
5. Economic Perspectives in Corporate Governance and the Decline of the Neoclassical Theory of the Firm;
6. The Agency Cost Theory and the Firms' Relationships with Stakeholders;
7. Different Approaches to the Theory of the Firm;
8. The UK Corporate Governance Debate;
9. The Globalised Economy and the Collapse of Enron; and,
10. The Financial Crisis.

The topics covered may be revised to ensure currency and relevance. Students will be advised of any changes in advance of their study.

Learning outcomes for the module

A. Knowledge, Understanding and Cognitive Skills

By the end of this module learners will be able to:

1. Identify the classical and contemporary ideas about corporate governance
2. Recognise how different corporate governance theories influenced the development of corporate governance solutions
3. Understand the adverse effects that unethical governance choices could exert on the corporate world and on broader society
4. Understand and criticise current issues related to corporate governance and the necessity for more effective corporate governance solutions
5. Understand the links between corporate governance theories and the development of different types of corporate governance solutions
6. Assess theoretical material related to corporate governance in its social context
7. Reflect upon the significance of the various corporate governance theories and their practical limits and interpret corporate governance solutions in light of their social and historical context
8. Analyse how the adoption of inadequate or unethical corporate governance approaches can lead to adverse consequences

B. Practical, Professional and Key Skills

By the end of this module learners will have developed:

1. Research skills in the area of corporate governance and ethics
2. Analytical and writing skills in a time constrained setting
3. Ability to plan work and study independently
4. Individual initiative and enterprise skills
5. Digital and information literacy skills

Learning and Teaching Strategy and Methods

In addition to the core principles of the learning & teaching strategy and methods for this programme provided in the Programme Specification, Regulations and programme induction, the learning resources for this module are designed by a team supporting the module author with instructional design, learning technology and project management skills.

All students receive comprehensive learning materials in a variety of e-formats for use with different electronic devices. Online learning activities and formative assessments are a key feature of this framework and are linked to the online materials with a Student Progress Log illustrating the level of progress against learning outcomes and syllabus progress. Students can see their skills development through a 'Skills Portfolio', which evolves through the student's completion of formative and summative assessment.

Students will demonstrate their learning through a variety of activities. Moderated peer group exercises will help students demonstrate achievement of learning objectives from conceptual understanding to critical analysis. Students will demonstrate critical analysis skills through participation in discussions to review business models with which they were familiar and others of which they were unaware. Module tutors and programme Student Relationship Managers will be a useful resource for students looking for support with their online discussion and engagement.

Self-assessment exercises will provide students with the opportunity to gauge their learning against topic and module learning objectives as well as against confidence level in their own understanding. This will allow students to identify which content areas require further work on their part.

Learning materials are divided into topics of 10–12 hours of student effort to support student's time management and motivation for study. The learning content is a mixture of video, text, learning activities and formative assessments, with allocated time for preparation, revision and review relating to each item of summative assessment.

Assessment strategy, assessment methods

Pass Mark

The pass mark is 50% for each element of assessment.

Compensation between elements of assessment is available on this module for marginal fails between 45%-49%.

Assessment Elements

1. Coursework (30% weighting)

There is one item of coursework for this module which contributes to the final assessment mark for this module:

Coursework: an essay of 2,500 words in length (maximum) (deadline – weeks 9–12)

The coursework is designed to check student progress, extend and reinforce concepts covered and also test individual performance.

2. Examination (70% weighting)

The final piece of assessment will be an unseen written examination of two hours' duration.

Learning resources

Learning materials

Learning activities and formative assessments for this module are designed and developed by the Lead Author/Module Leader and incorporate the following:

- Short videos
- Learning activities (including discussion forum activities)
- Formative assessments (multiple-choice and True/False quizzes, short answer self-assessments and matching exercises)
- Learning content

E-resources

All students can access the e-resources of the University of London which include a wide range of law journals. Students will be directed to journals within each topic of study and given online resources to enhance their information literacy skills as part of the student induction.

Core text(s)

The learning content will be drawn from a key text (see below).

Author: Alan Dignam and Michael Galanis

Title: *The Globalization of Corporate Governance*

Publisher: Ashgate

Year: 2009

Other references

The following is an illustrative list of the other reference materials that will be referred to in the module:

E. Merrick Dodd, *For Whom Are Corporate Managers Trustees?*, Harvard Law Review, Vol. 45, No. 7 (1932), pp. 1145–1163.

A. A. Berle Jr, *For Whom Are Corporate Managers Trustees: A Note*, Harvard Law Review, Vol. 45, No. 8 (1932), pp 1365–1372.

Ronald H. Coase, *The Nature of the Firm*, *Economica*, New Series, Vol. 4, No. 16 (1937), pp 386–405.

Michael C. Jensen and William H. Meckling, *Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure*, *Journal of Financial Economics*, Vol. 3, No. 4 (1976), pp 305–360.

Henry Hansmann and Reinier Kraakman, *The End of History for Corporate Law*, Harvard Law School Discussion Paper No. 280 (2000) pp 1–34.

John C. Coffee, *The Rise of Dispersed Ownership: The Role of Law in the Separation of Ownership and Control*, Columbia Law and Economics Working Paper No. 182 (2000), pp 1–92.

Krishna G. Palepu and Paul M. Healy, *The Fall of Enron*, Harvard NOM Research Paper No. 03-38 (2003), pp 1–45.

Alexander Schall, *Corporate Governance after the Death of the King - the Origins of the Separation of Powers in Companies*, *European Company and Financial Law Review*, Vol. 4 (2011), pp 476–488.