

## **LSE: INTRODUCTION TO CORPORATE LAW AND GOVERNANCE**

The need for corporate law and good governance has become increasingly apparent as large corporate scandals illustrate how some executives have maximised their interests at the expense of the company.

This course provides students with an introduction to corporate law and the legal and non-legal governance mechanisms which encourage directors to act in their company's best interest. Beginning with an introduction to company law, the course then considers the regulation and governance of companies.

Designed to situate corporate law and governance mechanisms in the economic and business context in which they operate, this course will engage you with important questions such as how do corporate law and governance mechanisms facilitate economic activity? As well as how do they respond to the problems generated by the organisational form of the company?

Using an explicitly comparative approach drawing on UK and US corporate law, as well as examples from continental European companies, you will understand the alternative ways corporate law can respond to different economic demands and problems.

Session: One

Assessment\*: One examination and one essay

### **Key topics**

The fundamentals of corporate law

Separate legal personality

The regulation of share issues and share capital

The common law method and approaches to statutory interpretation

Regulation of the appointment and removal of directors

Directors' duties and the composition of the board

Enforcement of shareholders' rights

The operation of the market for corporate control

### **Programme structure and assessment**

This course is designed as a combination of lectures, classes and readings. Classes are an opportunity to discuss the material covered in the previous day's lecture and to answer problem questions.

The course is assessed through one 1,000-word essay (20%) and a final course examination (80%). Case studies will be handed out during the course to give you the opportunity to engage with the material and receive feedback, but will not contribute to your overall grade.

**Course outcomes**

Understand the basic principles of legal systems and legal analysis

Identify the different types of business organisation and corporate vocabulary

Articulate how corporate law and governance mechanisms facilitate economic activity, and how they respond to the problems generated by the organisational form of the company

Understand the different ways in which law can respond to economic demands and problems

Illustrate the importance of the distribution of decision making power within an organisation

**Reading materials**

A. Dignam & J. Lowry, *Company Law*, OUP, 11th edition (2020)

D. Kershaw, *Company Law in Context: Text and Materials*, OUP, 2nd edition (2012)