

(LAW-301) Corporate Law and Governance

Pre-Requisites: (LAW-201) Law and Governance

Learning Objectives:

This course provides students with an introduction to corporate law and to the legal and non-legal governance mechanisms which encourage directors to act in their company's and not in their own interests. Through the lens of corporate law the course also aims to provide students with an opportunity to explore the common law method and approaches to statutory interpretation.

The course sets corporate law and governance within its economic and business context, with particular regard to how corporate law and governance mechanisms facilitate or inhibit economic activity in context of Pakistan.

Learning Outcomes:

After completing the course, students should be able to:

- acquire a comprehensive overview of corporate governance;
- outline and discuss the key legal, political and economic features of the major corporate governance system in Pakistan and around the world.
- analyze how corporate governance systems influence performance, including both the performance of individual firms and the allocation of capital within a country
- discuss the evolution of diverse ownership and governance structures across different economies and in Pakistan
- explain why the quality of corporate governance is relevant to capital formation
- describe why systematic failure of corporate governance can lead to failure of confidence that could spread from individual firms to entire markets or economies
- discuss the role of corporate governance codes and evaluate their usefulness in achieving better corporate governance practices.

Course Contents:

The course will be divided into two parts: The fundamentals of corporate law: separate legal personality; limited liability; and the regulation of share issues and

share capital. Corporate governance: the regulation of the appointment and removal of directors; directors' duties; the composition of the board; ways in which shareholders can enforce their rights; and the operation of the market for corporate control.

Text Books and Software:

1. Henry Hansmann, The Ownership of Enterprise, Boston MASS and London: The Belknap Press of Harvard University Press.
2. Robert A.G. Monks and Nell Minow (2011) Corporate Governance, John Wiley & Sons
3. Laws and Acts related to Corporate Governance in Pakistan like The Partnership Act, 1932, The Company Law (The Companies Ordinance, 1984), The Code of Corporate Governance, The Securities & Exchange Commission Of Pakistan, 1997, The Negotiable Instruments Act, 1881 And The monopolies & Restrictive Trade Practices (Control & Preventive) Ordinance, 1970