

Course syllabus
Corporate Governance and Corporate Social Responsibility

Title of course in Hungarian: A felelős vállalatirányítás joga

Language of instruction: English

Department: Department of Commercial Law and Financial Law

Type of course: obligatory/elective

Level of programme: MA (LLM)

Number of lessons per week: 2 hours/week

Semester: I./II.

Credit point value: 6

Code of course:

Prior course(s) required: -

Course supervisor: Dr. András Kecskés

Lecturer(s): Dr. András Kecskés

Course description, purpose of the course:

Business activities are mainly influenced by Corporate Governance and Corporate Social Responsibility. This course will examine the governmental structure of corporations. Two sessions are devoted to elaborating on the field of Corporate Social Responsibility. The course will introduce the main academic theories and the main models that divide the countries into two groups: Anglo- American and Continental. The course will focus on the regulation of Corporate Governance. It will consider the codes of German and English speaking countries, Japan and Hungary and draw on comparative perspectives. It will also present other recommendations as well as the OECD Principles in details. The European Union considers Corporate Governance and the modernization of company law as a priority. The course will also explain the endeavor of the EU to regulate corporate governance. A number of practical examples will also be the part and parcel of the course program. The course is based on a list of required course materials that will furnish the basis for class' discussions.

Course outline, description of acquired knowledge, skills and competences:

1. Definitions and the evolution of Corporate Governance

Basic definitions in the field of Corporate Governance and the historical development of Corporate Governance from the Wall Street Crash until nowadays will be discussed.

2. Parties involved in Corporate Governance

Corporate Governance is based on the relationship of many players (such as shareholders, management and board of directors, stakeholders) involved in governing of a corporation. This meeting is devoted to discuss their rights, duties and responsibilities.

3. Corporate Governance Theories

Organizational Theories (including Stewardship, Resource and Institutional Theory), Economic Theories (such as Agency, Finance and Managerial Theory) and the Stakeholder Theory will be presented on this meeting.

4. Corporate Governance Legislation in the German-speaking area

Students will get acquainted with the legal regulation of Austria, Germany and Switzerland regarding to Corporate Governance.

5. Corporate Governance in the Far-East

The Japanese model combines the emphasis on employees and on shareholders. This model will be compared with other models by discussing the following topics: committee system, executive officers, general shareholders' meeting, liability of directors and auditors

6. Corporate Governance in the UK

A revised Combined Code on Corporate Governance was issued on 23 June 2006 in the United Kingdom. Its main principles and provisions will be analyzed.

7. Corporate Governance in the USA

In the United States, the Sarbanes-Oxley Act (SOX) has introduced new standards of accountability on the board of directors for U.S. companies or companies listed on U.S. stock exchanges. This course is dedicated to sum up the main provisions of this Act.

8. Corporate Governance in the EU

Harmonisation of the rules relating to company law and CG, as well as to accounting and auditing, is essential for creating a Single Market for Financial Services and products. The main regulatory solutions including action plans and directives will be discussed.

9. OECD principles

These principles are intended to assist in the evaluation and improvement of the legal, institutional and regulatory framework that influences Corporate Governance. They also provide guidance for stock exchanges, investors, corporations, and others that have a role in the process of developing good Corporate Governance. The presentation will deal with the provisions of this regulation.

10. Corporate Social Responsibility (CSR)

CSR is about how business takes account of its economic, social and environmental impacts in the way it operates – maximizing the benefits and minimizing the downsides. The course discussion will be based on these issues.

11. Corporate Social Responsibility in the EU

The European Commission plays an active role in regulating CSR. Recent communications will be presented to the students.

12. Corporate Governance in Hungarian Corporate Law

This course is devoted to explore the organizational structure of a company limited by shares and comparing it with the organizational structure of other corporate forms. Corporate Governance Recommendations of Budapest Stock Exchange will be debated as well.

13. Best practice and case studies

Corporate Governance Guidelines of certain companies and case studies are the main issues of this course.

Interim course requirement(s):

Type of evaluation: exam evaluation/course performance evaluation

Method of evaluation: _written/oral exam

Obligatory course materials:

Monks, R., Minow, N.: Corporate Governance; 4rd edition, Wiley-Blackwel publishing, 2008

Further additional reading materials will be provided on the first meeting.

Recommended additional sources: