



Shanghai Jiao Tong University

EC320 International Corporate Governance

<b>Instructor Information</b>	TBD		
<b>Term</b>	June 28, 2021 - July 29, 2021	<b>Credits</b>	4 units
<b>Class Hours</b>	Monday through Thursday, 120 mins per teaching day		
<b>Discussion Sessions</b>	2 hours each week, conducted by teaching assistant(s)		
<b>Total Contact Hours</b>	66 contact hours (1 contact hour = 45 mins, 3000 mins in total)		
<b>Required Texts (with ISBN)</b>	Clarke, T., International Corporate Governance: A Comparative Approach, 2 <sup>nd</sup> Ed., Routledge, 2017, ISBN-10: 0415586453 / ISBN-13: 978-0415586450 Tricker, R.I., Corporate Governance: Principles, Policies, and Practices, 3 <sup>rd</sup> Ed., Oxford University Press, 2015, ISBN-10: 9780198702757 / ISBN-13: 978-0198702757		
<b>Prerequisite</b>	None		
The course might be moved to online delivery due to COVID-19 pandemic. Students will be notified once the decision is made.			



## Course Overview

Corporate governance is fundamental to the existence and growth of public corporations as it encompasses the mechanisms which help suppliers of finance assure themselves of getting a return on their investment. However, there are different conceptualizations and theoretical lenses of Corporate Governance.

Firstly, the course objective is cover the fundamental principles and concepts of Corporate Governance is and how it plays out internationally in terms of differences in systems and models.

Secondly, the course analyses how different governance mechanisms prevent managerial flaws and add value to corporations. Why does Corporate Governance matters? How can Corporate Governance create value for firms? What is the relation between Corporate Governance and risk? What are the different theories and models of Corporate Governance? How to evaluate Corporate Governance practices? Specific mechanisms of Corporate Governance covered will include: directors' responsibilities, board structure, regulations, auditing, executive compensation; financial ownership and control, and the role of Ethics as well as Corporate Social Responsibility.

Thirdly, this course aims to foster critical understanding of the concepts, issues and practices in the governance structures of modern corporations from both Western and Chinese perspectives, as well as to synthesize and apply the knowledge to different situations and contexts.

Finally, several governance systems between countries will be compared, including United States, China, France, U.K, Germany and some other Asian countries.

## Learning Outcomes

By the end of this course, students will be able to:

- Understand the basic principles of good corporate governance practices, including the role of ethics;
- Understand the global best practice knowledge in corporate governance environment, the corporate forms, proper corporate, legal, and regulatory frameworks necessary to perform the duties of the board in protecting the rights of the shareholders and coping with other stakeholder's expectations;
- Analyse the causes and consequences of corporate governance issues due to inherent conflicts of interest between shareholders, the board of directors, and the executive management and other stakeholders in governance;
- Understand the relationship between corporate governance, corporate finance, investments and shareholder wealth maximization, and risk;
- Familiarize with tools for assessment and scoring of corporate governance practices.



### Grading Policy

Achievement of learning outcomes will be assessed through a final examination (close-book examination) taking place during the last session of the course. In addition, students will work in groups and prepare an oral presentation of 15 mns (with handout) to analyse the corporate governance of a particular company of their choice to prepare for a short case analysis on corporate governance.

Final examination (individual)	50%
Presentation (team score)	30%
Hand-Out (team score)	10%
Attendance & Participation	10%

### Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0



**Class Schedule**

<b>Date</b>	<b>Lecture</b>	<b>Readings</b>
Day 1	Introducing Corporate Governance (and historical perspective)	Chapters 1,2,3 (Tricker) Article ICBC. OECD corporate governance principles
Day 2	Governance and Stakeholders	Chapter 3 (Tricker) Case material Infosys
Day 3	Corporate Governance Structure and Mechanisms	Chapter 4 (Tricker)
Day 4	Corporate Governance and performance	Case material Bombardier Article Hermes CIMA Entreprise Governance
Day 5	Regulatory frameworks	Chapter 5 (Tricker) CSRC report
Day 6	Corporate Governance and the board. Board Effectiveness	Chapter 7 (Tricker) Chapter 2 (Clarke) Case material: Enron Source: Independentaudit.com
Day 7	Corporate governance and ethics	Chapter 13,14,15,16 (Tricker)
Day 8	The human face of corporate governance	Chapter 13,14,15,16 (Tricker)
Day 9	Risk management and internal audit, audit committees	Chapter 8 (Tricker)
Day 10	Ownership structures and external influences, shareholders rights	Chapter 10,11 (Tricker)
Day 11	Public sector governance	Extra materials will be provided Governance in China OECD report
Day 12	Institutional perspective and legal environment	CSRC report
Day 13	Investors and Risk. Financial markets	Chapter 3 (Clarke)
Day 14	Governance and Corporate Social Responsibility	Chapter 9 (Tricker)
Day 15	Governance Reporting & Rankings	ACGA governance ranking Nankai University website – center of governance <a href="http://info.worldbank.org/governance/wgi/">http://info.worldbank.org/governance/wgi/</a> <a href="http://www.cg.org.cn/english/index.asp">http://www.cg.org.cn/english/index.asp</a> Draft Policy Research Working Paper ‘The Worldwide Governance Indicators: Methodology and Analytical Issues’
Day 16	Theoretical models of governance: why they differ. Comparative analysis	Chapter 6 (Tricker) Article Thomas Clarke Chapter 12 (Tricker)
Day 17	The Chinese model of governance	ACGA report ‘Awakening governance’ & CSRC report
Day 18	Future perspectives of Corporate Governance	Chapter 18 (Tricker)
Day 19	Course Review	
Day 20	<b>Final Examination</b>	