

Global Learning Semesters

Course Syllabus

Course: ACER-112 The Legal Framework II

Department: Accounting and Banking

Host Institution: Intercollege, Nicosia, Cyprus



Course Summary		
Course Code	Course Title	Recommended Credit Hours
ACER-112	The Legal Framework II	3
Semester Offered	Contact Hours	Prerequisites
Please contact us	42-45	None
Department	Level of Course	Language of Instruction
Accounting and Banking	Lower Division	English

Prerequisites

None

Topic Areas

1. Legal personality and the nature of a limited company

This section deals with the nature of a limited company and the concept of separate legal personality and their significance in a business environment.

- a. The limited company - distinguished from partnership
- b. The consequences of separate legal personality.
- c. The relationship of legal personality to limited liability.

2. Company Law

The purpose of this section is to explore some basic features of company law so as to understand the essential framework of a limited company.

- a. Formation of a company and the nature of its constitution.
- b. The formalities and the role of the Registrar.
- c. Registration of shares, charges, directors and directors' shareholdings.
- d. The contractual capacity of a company.
- e. Statutory books, records and returns.

3. Capital and financing of companies

This section deals in outline with the capital and financing of companies, covering share and loan capital and will enable an accountant to understand the financial framework on which companies are based.

- a. Share capital:
 - (i) Issue and transfer of shares
 - (ii) Purchase and redemption of shares
 - (iii) Dividends
 - (iv) Changes to capital.
- b. Loan capital: (i) Borrowing powers

- (ii) Types of debentures and their creation
- (iii) Company charges
- (iv) Registration
- (v) Remedies of loan creditors.

4. Management and administration of a company

This section takes an overview of the legal obligations of the management in relation to the administration of the company. The role of key personnel is identified and the rights and obligations they have is explored. The role of the company meeting is dealt with, enabling an understanding of its significance in the management of a company.

- a. Directors: (i) Appointment and termination of office
 - (ii) Duties and powers
 - (iii) Contractual capacity of directors
 - (iv) Self-dealing by directors
 - (v) Shareholder remedies
 - (vi) Board of directors and division of power between the board and general meetings
- b. Company Secretary: (i) Appointment
 - (ii) Role
 - (iii) Duties
- c. Shareholders: majority control and the rights of minorities.
- d. Auditors: (i) Appointment and re-appointment
 - (ii) Removal, resignation and replacement
 - (iii) Duties
- e. Company meetings: (i) Annual general meetings
 - (ii) Extraordinary general meetings resolutions.

5. External regulatory bodies

This section identifies in outline:

- a. The Department of Trade and industry.
- b. The stock Exchange.
- c. The Financial Reporting Council.
- d. The Securities and Investments Board.

Readings and Resources

Required Textbook

- Legal Framework, A.T. Foulks Lynch.

Recommended Reading

- R. Card, J. James, Law for Accountancy Students, Butterworth's.
- D. Keenan, Advanced Business Law, Pitman.
- N. Savage, R. Bradgate, Business Law, Butterworth's.
- C.D. Thomas, Company Law for Accountants, Butterworth's.