

**THE UNIVERSITY OF TEXAS AT EL PASO**  
**THE COLLEGE OF BUSINESS ADMINISTRATION**

**SPRING 2015**

**BUSN 5310 (26569) Issues in Corporate Governance: An International Field Study**

Topic Area: Comparative Corporate Governance

Regional Focus: Asia and the U.S.

**Course Facilitator**

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**Meeting dates and locations (tentative)**

1. February 25<sup>th</sup>, 2015, 6:00pm - 8:50pm, scheduled launch of course, El Paso, Texas
2. March 8<sup>th</sup> – 15<sup>th</sup>, Beijing and Shanghai, PRC
3. April 1<sup>st</sup>, 2015, 5:30pm – 9:30pm, wrap-up, El Paso, Texas

**Required Course Materials**

1. Textbook: *Corporate Governance*, 3rd Edition, 2010, by Kim, Nofsinger, and Mohr. Prentice-Hall.
2. Reading list: See page 6.

## **Course Description**

Corporate governance is the system by which companies are directed and controlled (Cadbury 1992:15). The governance structures of companies are constructed around the financial and market institutions and institutions of law and regulation in a country that form the environment in which companies and boards must operate. Good corporate governance structure should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders, and should facilitate effective monitoring (OECD 2004).

This course focuses on the comparative analysis and assessment of corporate governance across nations and regions. As a field study in comparative corporate governance, this course is designed to provide Executive MBA students with a hands-on introduction to this inherently complex yet compelling topic for the corporate enterprise - domestic or multinational.

The course has two components. One component involves the March 8<sup>th</sup> - 15<sup>th</sup>, 2015 international trip experience in Beijing and Shanghai, China, which consists of academic seminars, corporate visits, and discussions with experts in corporate governance and individuals from regulatory organizations and businesses. The other component involves class meetings in El Paso that provide an overview on issues in corporate governance and course wrap-up.

## **Course Objectives**

Students in this course will gain an understanding of:

1. all facets of corporate governance (responsibility, accountability, transparency, accuracy and accessibility, sustainability, etc.) within its legal, financial, ethical and political environment;
2. the roles and responsibilities of the governing board of directors and the CEO and senior management, in particular;
3. alternate corporate governance systems;
4. the international development and ongoing global best practices in corporate governance;
5. the current corporate governance oversight failures; (Why have there been so many corporate and financial failures in recent years?) and
6. how to assess the quality of a corporate governance structure.

This course also enables students to

7. experience direct contact with and to engage in the debate and assessment of corporate governance in settings outside the United States with national and international organizational leaders, who are charged with policy analysis as well as the development and implementation of corporate governance frameworks; and
8. immerse themselves in the multicultural setting under different corporate governance structures.

### **Primary Responsibilities of the Students**

Given the short time frame and activity arrangement of the course, students are required to quickly familiarize themselves with relevant topics covered in the reading list before the launch of the course and/or the trip to Beijing. Advance preparation is essential in order to be engaged and to engage others in all discussions. Given the class size, all students will be addressed with ample time for them to develop and respond to questions. Specifically, students are required

1. to prepare thoroughly, participate actively in all seminar discussions,
2. to participate fully in all scheduled institution/corporate visits and interact actively with the speakers, and
3. to present Reports on the assigned course work, orally and in written format.

### **Course Assignments and Grade Assessment:**

#### Individual work (50%)

1. Exam on textbook (Chapters 1-4, 9): 25% of final grade.  
(Note: the exam consists of mostly the true/false and multiple choice questions)
2. Participation in corporate visits and seminars: 25% of final grade.

#### Team work (50%)

3. Summary report on seminars: 15% of final grade.
4. Research paper report (written and presentation): 35% of final grade.

## Course Structure and Course Work:

The course consists of two components: Class Meetings in El Paso and Field Visits in China.

### Class Meetings in El Paso

The class meets twice: pre-trip and post-trip to China.

The purpose of the pre-trip meeting is to get students familiar with the key aspects of corporate governance and the course work. The pre-trip meeting focuses on the selected chapters from the textbook, using a lecture/discussion approach:

*Meeting #1* (Wednesday, February 25<sup>th</sup>, 2015, 6:00pm - 8:50pm, GBC 520A)

- ❖ Introduction of the course: expectations and required course work.
- ❖ Lecture and discussion on textbook Corporate Governance: Chapters 1-4, 9.

The after-trip class meeting is to be conducted as a wrap up of the course wherein students are required to take the exam and to present and discuss their research work.

*Meeting #2* (Wednesday, April 1<sup>nd</sup>, 2015, 5:30pm – 9:30pm, BGC 520A)

- ❖ Team presentation of your Research Paper Report.
- ❖ Exam on textbook Corporate Governance: Chapters 1-4, 9.

*Note:*

- ❖ The two written reports (Summary report on seminars and Research paper report) are required to be submitted via email before the class meeting. Refer to Page 5 for detailed instruction on team report and presentation.

Over the course period, students will be benefited from reading the following materials:

- ❖ Corporate governance: the principles and best practices (Items 1 to 4 from the Reading list).
- ❖ Comparative corporate governance analysis on China (items 5-8).
- ❖ Corporate governance failures and lessons (items 9-10).

### Field Visits in Beijing and Shanghai, China

The field study includes:

1. travelling to Beijing and back from Shanghai, China;
2. two (2) seminars offered by scholars and practitioners in the field of corporate governance;
3. four (4) corporate/institute visits offered by representatives from relevant financial and non-financial businesses, institutional and government agencies;
4. active participation in discussion while attending seminars and visits.  
(Refer to Study Tour Program Itinerary for Activities.)

## **Instructions on Team Organization and Written Reports**

### Team Formation

Students are required to self-organize into teams at the early stage of the course. The ideal size for a Team is two or three students at the outer limit. The same team works on two reports: the Summary Report on Seminars and the Research Paper Report. Each student in a Team is expected to work with the others in the Team and to contribute to the final product of the assigned work.

### Written Report Format

Both reports should follow the generic format given below:

1. The cover page should provide the following information: course title, semester, report title, and team members.
2. The main body should use 12-point Times New Roman font, double spaced and numbered at the bottom right-hand corner, with normal margin.
3. The references, appendices or exhibits, if any, should be provided at the end of a report.

### Specifics on Summary Report on Seminars

This Report provides a brief summary and your view of the topics covered in each seminar, with *no more than* three (3) double-spaced pages for each seminar.

### Specifics on Research Paper Report

This Report should demonstrate your understanding of integration of required readings, especially the background readings on corporate governance in China, and the knowledge and experience gained from the seminars and visits/meetings held in Beijing and Shanghai. This Report should be *no less than* ten (10) double-spaced pages, excluding appendix, footnotes and bibliography.

### Proposed topics

1. An Assessment of Corporate Governance in China (and or East Asia)
2. A Comparison of Corporate Governance in the U.S. and China
3. Any relevant topic(s) that you would like to explore

No matter what topic(s) you choose to work on, make sure you address the following questions among other issues:

1. In what ways are the key aspects of governance in China different from those of a publicly-traded company in the U.S. or other international standards? Why do these differences exist?
2. How effective do you think the current corporate governance in China and/or the East Asia is? What are the issues/problems associated with it?
3. What are the conditions required to further reform the corporate governance system in China and/or the East Asia region? How do you recommend the corporate governance to evolve or improve in this region in the future?

**Reading List** (Available on Blackboard)

1. OECD Principles of Corporate Governance, 2004.
2. Business Roundtable, Principles of Corporate Governance, 2010.
3. Shivdasani, Anil, "Best practices in corporate governance: what two decades of research reveals", *Journal of Applied Corporate Finance*, Spring/Summer 2004.
4. Asian Productivity Organization, "*Best Practices in Asian Corporate Governance*", 2007 (Note: Read the summary report part, pg1-21.)

*(Background readings on corporate governance in China)*

5. CFA Institute, 2007, China Corporate Governance Survey.
6. Deloitte, A Long Path to Better Corporate Governance, 2010 China listed companies corporate governance survey.
7. Rajagopalan, Nandini and Zhang, Yan, "*Corporate governance reforms in China and India: Challenges and opportunities*", *Business Horizon* 51, 2008, 55-64.

*(Financial failure and lessons)*

8. Kirkpatrick, Grant, "*The Corporate Governance Lessons from the Financial Crisis*," *OECD Financial Market Trends*, 2009.
9. Rajagopalan, Nandini and Zhang, Yan, "*Recurring failures in corporate governance: A global disease?*" *Business Horizon* 52, 2009, 545-552.

### **Scholastic Integrity:**

The University of Texas at El Paso prides itself on its standards of academic excellence. In all matters of intellectual pursuit, UTEP faculty and students must strive to achieve excellence based on the quality of work produced by the individual. In the classroom and in all other academic activities, students are expected to uphold the highest standards of academic integrity. Any form of scholastic dishonesty is an affront to the pursuit of knowledge and jeopardizes the quality of the degree awarded to all graduates of UTEP. It is imperative, therefore, that the members of this academic community understand the regulations pertaining to academic integrity and that all faculty insist on adherence to these standards. Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes, but is not limited to, cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts. Proven violations of the detailed regulations, as printed in the Handbook of Operating Procedures (HOP), and available in the Office of the Dean of Students, and the homepage of The Dean of Students (DOS) at [www.utep.edu](http://www.utep.edu) may result in sanctions ranging from disciplinary probation, to failing grade on the work in question, to a failing grade in the course, to suspension or dismissal, among others.