

## Liverpool John Moores University

Title: COMPANY LAW FOR ACCOUNTANTS  
Status: Definitive  
Code: **5000LAWBL** (107725)  
Version Start Date: 01-08-2010

Owning School/Faculty: Law  
Teaching School/Faculty: Law

Team	Leader
Peter McPartland	Y

**Academic Level:** FHEQ5      **Credit Value:** 12.00      **Total Delivered Hours:** 120.00  
**Total Learning Hours:** 120      **Private Study:** 0

### Delivery Options

Course typically offered: Semester 2

Component	Contact Hours
Lecture	10.000
Practical	98.000
Tutorial	9.000

**Grading Basis:** 40 %

### Assessment Details

Category	Short Description	Description	Weighting (%)	Exam Duration
Exam	AS1	Examination	100.0	3.00

### Aims

*To provide an understanding of the legal nature of the limited company and of its constitution; the basic rules for the protection of potential investors; the company law requirements concerning corporate reports and accounts; the duties of directors and auditors; the concept of majority rule and minority protection and the corporate insolvency regimes.*

### Learning Outcomes

After completing the module the student should be able to:

- 1 Describe the essential legal characteristics of the company and in particular understand the implications of limited liability and corporate capacity.
- 2 Show an understanding of the nature of the contract formed by the company's articles of association.
- 3 Discuss the doctrine of maintenance of capital and the rules which give effect to it.
- 4 List the company law requirements concerning corporate reports and accounts.
- 5 Explain the distribution of power within the company between the board and the company in general meeting
- 6 Show understanding of directors' Statutory Duties under the Companies Act
- 7 Explain the duty of the auditor and the limits on the tortious liability of the auditor.
- 8 List the remedies for mismanagement contained in the Insolvency Act 1986

### Learning Outcomes of Assessments

The assessment item list is assessed via the learning outcomes listed:

EXAM	1	2	3	4	5	6	7	8
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### Outline Syllabus

*Formation of the limited company; concepts of corporate personality and the limited liability.*

*Contents of the memorandum of association.*

*Nature of the articles of association.*

*Maintenance of capital, issues at a premium and discount; company purchase of its own shares; prohibition of giving financial assistance.*

*Distribution of power within the company; removal of directors; director's duties.*

*The rule in Foss & Harbottle and the exceptions to it.*

*Corporate reports and accounts.*

*Appointment and removal of the auditor; auditor's duty and liability.*

*Liability under the Insolvency Act 1986 for wrongful trading, fraudulent trading and misfeasance.*

### Learning Activities

The student will have to analyse a context in Company Law from a legal perspective, rather than that of the accountant, and provide cogent arguments for particular judgements.

### References

<b>Course Material</b>	Book
<b>Author</b>	Smith & Keenan
<b>Publishing Year</b>	2009

<b>Title</b>	Company Law
<b>Subtitle</b>	
<b>Edition</b>	14th
<b>Publisher</b>	Pearson
<b>ISBN</b>	1405846135

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### **Notes**

This provides a greater depth of Company Law as a specialist area and is aimed at students with ambitions to go into professional practice as accountants.