

EXECUTIVE DIPLOMA
IN BUSINESS LEADERSHIP
PART II

CORPORATE LAW AND GOVERNANCE

Contents

- **Company Law:** Companies and other forms of business organisation, the development of company law in Ireland, Irish company law and E.U. law.
- **Company Formation:** How a company is formed, types of company that may be formed, memorandum of association (including the objects and powers clauses), articles of association, alteration to the Constitutional Documents, Section 25 contracts, the promoters and pre-incorporation contracts. Separate legal personality of the company, lifting the veil of incorporation, the ultra vires rule, liability of a company in respect to unauthorised or irregular transactions in both tort and criminal law, the doctrine of ostensible or apparent authority and the rule in Royal British Bank v. Turquand.
- **Corporate Finance:** Floation of a company, application for and allotment of shares, the capital of the a company – types of capital and shares, the maintenance of capital, the alteration and reduction of capital. Nature of a share, rights of the shareholder, duties of the shareholder, Different classes of shares, variation of rights of classes of shareholders, share certificates and warrants. Calls, liens, forfeiture and surrender of shares. Transfer and transmission of shares. Shareholder agreements. Membership of the company – Becoming a Member, Capacity to be a Member, Register of Members, Disclosure of interests in shares. Dividends and distribution of profits. Borrowing by the company – borrowing powers of companies, debentures and floating charges, registration crystallisation and invalidity of charges.
- **Company Officers:** Formalities; types of directors appointment, removal, eligibility, resignation. Directors Duties; fiduciary, statutory and care and skill. Corporate Offences; fraudulent trading, reckless trading, insider dealing and money laundering. Liability; restriction and disqualification orders. Company Secretary; qualifications appointment, powers and duties. Internal Management of Companies. Meetings of the Company. Majority and minority rights, the rule in Foss v. Harbottle and its exceptions, Section 205 Companies Act 1963. Investigation of a company's affairs - liability arising from investigations.
- **Examinership, Receivership and Liquidations:** Charges and crystallisation of charges. Protection of investors and creditors. Appointment, rights and duties and powers of an

Examiner. Examinership process, report, schemes of arrangement. Appointment, rights, duties and powers of a Receiver. Appointment, rights and duties of a Liquidator. Types of winding up, compulsory winding up, voluntary winding up - the distinction between members and creditors voluntary liquidations. Effects of examinerships, receiverships or liquidations on shareholders, directors and employees - as well as potential liability. Order of payment of debts and charges on liquidation. Accounts of an Examiner, Receiver and Liquidator.

- **Commercial credit and Security:** Types of credit – vendor credit, lender credit, fixed term and revolving credit. Types of security – real security, possessory security interests, pledges, liens, non-possessory security interests, mortgages, charges, personal security, guarantees, indemnities, letters of credit, performance guarantees, letters of comfort, quasi-security, retention of title, bills of exchange, set-off agreements, use of assets as quasi-security. Formalities and registration of security interests, Bills of Sale Acts, Companies Acts.
- **Corporate Governance:** Definition(s) of Corporate Governance. Agency Theory – potential conflicts of interest. The role of the executive board – board structures, holding board meetings, importance of agendas and meetings, accountability of boards. Directors’ responsibility for Internal Control. Remuneration, transparency and accountability – the design of incentive compatible contracts, management incentives, role of remuneration committees, legal and stock exchange requirements, recognition and remuneration systems, disclosure requirements. Developing and supporting a compliance culture – directors’ compliance statements, role of the audit committee, role of nonexecutive board members. Corporate Regulation in Ireland, the objectives and functions of: The Companies Registration Office (CRO), Administration of the company the directors, the secretary, the annual return, accounts and audit, mergers, arrangements, reconstructions and takeovers. Office of the Director of Corporate Enforcement (ODCE). Irish Stock Exchange (ISE). The Financial Regulator. Irish Auditing and Accounting Supervisory Authority (IAASA). The Combined Code. Sarbanes Oxley Act – objectives, provisions and requirements and impact. Emerging issues and developments in Corporate Governance

- **Law of Agency:** Introduction – nature and consequences of agency, identifying agents, types of agent, agency distinguished. Authority and power of company officers under the Law of agency. Principal and agent relations.
- **Law of Employment:** Contract of employment, contract of service and contract for services. Formation of the contract. Terms of the contract. Rights of the employee. Duties and rights of the employer. Termination, unfair and wrongful dismissal, redundancy. Maternity leave, Paternity leave, Adoptive leave, Parental leave, Force majeure leave – rights and entitlements

Learning Outcomes

On successful completion of this subject, students should be able to:

- Interpret, discuss and apply aspects of the law relating to the structuring of business entities and certain of their commercial relationships.
- Discuss the appointment, rights and duties of receivers, liquidators and examiners and outline the effects of receiverships, liquidations or examinerships on key stakeholders including; shareholders, directors' employees and creditors.
- Distinguish between the different types of credit and security, their legal consequences and the formalities applicable to these.
- Advise on the effects of receiverships, liquidations or examinerships on key stakeholders including; shareholders, directors, employees and creditors.
- Advise on and lead best practice in governance.
- Outline and discuss the law of agency, and distinguish between principal and agent and their rights and duties.
- Discuss and apply the main aspects of employment law and be able to refer to and interpret relevant sources.
- Identify, if and when more specialist knowledge is required and the source of such expertise.

Suggested Readings

- Keane / Company Law, 4th revised edition / Tottel 2007 / ISBN 9781845922986.

- Courtney / The Law of Private Companies, 2nd edition / Tottel 2002 / ISBN/ISSN 1854752650.
- Cahill / Company Law and Enforcement / Tottel 2008 / ISBN 9781845921057.
- White / Commercial Law / Wiley and Sons 2ed 2012 / ISBN 9781858006321.
- Forde / Commercial Law, 3rd edition / Tottel 2005/ ISBN/ISSN 1845922034.
- MacDonnell / An Introduction to Business Law / CAI 2010 / ISBN 9781907214608
- Governance Risk and Ethics / BPP Manual ACCA P1 / ISBN 9781445377674

E-COMMERCE/BUSINESS

Contents:

- Introduction to Electronic Commerce: Meaning, nature and scope; Channels of e-commerce; Business applications of e-commerce; Global trading environment and adoption of e-commerce.
- Architectural Framework of E-Commerce: World Wide Web as the architecture; Global Publishing concept; Universal reader concept and client server concept; hypertext publishing and hypertext information network; Internet protocols.
- Business Models of E-commerce and Infrastructure; B2B, B2C, B2G and other models of e-commerce; Applications of e-commerce to supply chain management; product and service digitisation; Remote servicing procurement, and online marketing and advertising E-commerce resources and infrastructure planning.
- Business to Consumer E-commerce Applications: Cataloging; Order planning and order generation; Cost estimation and pricing; Order receipt and accounting; Order selection and prioritisation: Order scheduling, fulfilling and delivery, Order billing and payment management; Post sales services.
- Web-site Design: Web sites as market place; Role of web site in B2C e-commerce; Web site strategies; Web site design principles; Push and pull approaches; Alternative methods of customer communication such as e-mail, BBA; E-mail etiquette and e-mail security.
- Business to Business E-Commerce: Need and alternative models of B2B e-commerce; Using Public and private computer networks for B2B trading: EDI and paperless trading;; characteristic features of Edi service arrangement; Internet based EDI; EDI architecture and standards; VANs; Costs of EDI infrastructure; Reasons for slow acceptability of EDI for trading; E-marketing-Traditional web promotion: Web counters; Web advertisements.
- Multimedia and E-Commerce: Concept and role of multimedia; Multimedia technologies; digital video and digitization of product and customer communication, Desk -top video conferencing and marketing
- Electronic Payment Systems and Order Fulfillment: Types of payment systems - e-cash and currency servers, e-cheques, credit cards, smart cards, electronic purses and debit

cards; Operational, credit and legal risks of e -payment, Risk management options for e - payment systems; Order fulfillment for e -commerce.

- Security Issues in E-Commerce: Security risks of e-commerce-Types and sources of threats; Protecting electronic commerce assets and intellectual property; Firewalls; Client server network security; Data and message security; Security tools; Digital identity and electronic signature; Encryption approach to e-commerce security.
- Regulatory Environment of E-Commerce: Borders and jurisdiction contracting and contract enforcement; International cyber laws -aims and salient provisions; cyber laws in United States of America and their limitations; Taxation and e -commerce; Ethical issues in e -commerce.

Learning Outcomes

On completion of the course, students should have an understanding of the following

- The meaning of e-business and identification of current / future trends
- Processes for the development and implementation of web-based IS and IT strategies
- The creation of business plans for e-commerce
- Technical, architecture and integration issues
- Linking websites with ERP systems (especially web-driven ERP)
- The impact of e-business on organisational design
- Privacy, Security and Safety considerations in e-commerce
- Legal frameworks in e-commerce
- Political, cultural and ethical aspects of e-commerce

Suggested Readings:

- Agarwala, Kamlesh N., Amit Lal and Deeksha Agarwala, Business on the Net: An Introduction to the Whats and Hows of E -Commerce, Macmillan India Ltd., 2000.
- Bajaj, Deobyani Nag, E-Commerce, Tata McGraw Hill Company, New Delhi, 2000.
- Diwan, Prag and Sunil Sharma, Electronic Commerce -A Manager's Guide to E-Business, Vanity Books International, Delhi.
- Greenstein, M. and T.M. Feinman, Electronic Commerce: Security, Risk Management and Control, Tata McGraw hill, 2000
- . Fitzgerald, Business Data Communication Network, McGraw Hill, 1998.
- Kalakota, Ravi and Andrew P. Whinson, Frontiers of Electronic Commerce, Addison Wesley, 1999.
- Kosiur, David, Understanding Electronic Commerce, Prentice Hall of India Private Ltd., New Delhi, 1997
- Schneider, Gary P. and James T. Perry, Electronic Commerce, Thompson Learning, Cambridge, 2001.
- Turban, E., et. al., Electronic commerce: A Managerial Perspective, Pearson Education Asia.
- Whiteley, David, E-commerce, McGraw Hill, New York, 2000.

MANAGEMENT CONTROL SYSTEMS

Contents

- The ways in which systems are used to achieve control within the framework of an organisation (e.g. contracts of employment, policies and procedures, discipline and reward, reporting structures, performance appraisal and feedback).
- The application of control systems and related theory to the design of management accounting control systems and information systems in general (i.e. control system components, primary and secondary feedback, positive and negative feedback, open and closed-loop control).
- Structure and operation of management accounting control systems (e.g. identification of appropriate responsibility and control centres within the organisation, performance target setting, avoiding unintended behavioural consequences of using management accounting controls).
- Variation in control needs and systems dependent on organisational structure (e.g. extent of centralisation versus divisionalisation, management through strategic business units).
- Assessing how lean the management accounting system is (e.g. extent of the need for detailed costing, overhead allocation and budgeting, identification of non-value adding activities in the accounting function).
- Cost of quality applied to the management accounting function and “getting things right first time”.
- Types and sources of risk for business organisations: financial, commodity price, business (e.g. from fraud, employee malfeasance, litigation, contractual inadequacy, loss of product reputation), technological, external (e.g. economic and political), and corporate reputation (e.g. from environmental and social performance or health and safety) risks.
- Fraud related to sources of finance (e.g. advance fee fraud and pyramid schemes).
- Risks associated with international operations (e.g. from cultural variations and litigation risk, to loss of goods in transit and enhanced credit risk).
- Quantification of risk exposures (impact if an adverse event occurs) and their expected values, taking account of likelihood.

- Information required to fully report on risk exposures.
- Risk map representation of risk exposures as a basis for reporting and analysing risks.
- Purposes and importance of internal control and risk management for an organisation.
- Issues to be addressed in defining management's risk policy.
- The principle of diversifying risk.
- Minimising the risk of fraud (e.g. fraud policy statements, effective recruitment policies and good internal controls, such as approval procedures and separation of functions, especially over procurement and cash).
- The risk manager role (including as part of a set of roles) as distinct from that of internal auditor.
- Purposes of internal control (e.g. safeguarding of shareholders' investment and company assets, facilitation of operational effectiveness and efficiency, contribution to the reliability of reporting).
- Elements in internal control systems (e.g. control activities, information and communication processes, processes for ensuring continued effectiveness etc).
- Operational features of internal control systems (e.g. embedding in company's operations, responsiveness to evolving risks, timely reporting to management).
- The pervasive nature of internal control and the need for employee training
- Costs and benefits of maintaining the internal control system.
- The principles of good corporate governance based on those for listed companies (the Combined Code), e.g. separation of chairman and CEO roles, appointment of nonexecutive directors, transparency of directors' remuneration policy, relations with shareholders, the audit committee. Other examples of recommended good practice may include The King Report on Corporate Governance for South Africa, Sarbanes-Oxley Act in the USA, The Smith and Higgs Reports in the UK, etc).
- Recommendations for internal control (e.g. The Turnbull Report).
- The process of review (e.g. regular reporting to management on the effectiveness of internal controls over significant risks) and audit of internal controls.
- Major tools available to assist with a review and audit process (e.g. audit planning, documenting systems, internal control questionnaires, sampling and testing).

- Role of the internal auditor and relationship of the internal audit to the external audit.
- Relationship of internal audit to other forms of audit (e.g. value-for-money audit, management audit, social and environmental audit).
- Operation of internal audit, the assessment of audit risk and the process of analytical review, including different types of benchmarking, their use and limitations.
- Detection and investigation of fraud.
- The nature of the external audit and its process, including the implications of internal audit findings for external audit procedures.
- The principles of good corporate governance for listed companies, for the review of the internal control system and reporting on compliance.
- The importance and characteristics of information for organisations and the use of cost-benefit analysis to assess its value.
- The purpose and content of IM, IS and IT strategies, and their role in performance management and internal control.
- Data collection and IT systems that deliver information to different levels in the organisation (e.g. transaction processing, decision support and executive informative systems).
- The potential ways of organising the IT function (e.g. the use of steering committees, support centres for advice and help desk facilities, end user participation).
- The arguments for and against outsourcing.
- Methods for securing systems and data back-up in case of systems failure and/or data loss.
- Minimising the risk of computer-based fraud (e.g. access restriction, password protection, access logging and automatic generation of audit trail).
- Risks in IS/IT systems: erroneous input, unauthorised usage, imported virus infection, unlicensed use of software, theft, corruption of software, etc.
- Risks and benefits of Internet and Intranet use by an organisation.
- The criteria for selecting outsourcing/facilities management partners and for managing ongoing relationships, service level agreements, discontinuation/change of supplier, hand-over considerations. Controls which can be designed into an information system, particularly one using IT (e.g. security, integrity and contingency controls).

- Control and audit of systems development and implementation.
- Techniques available to assist audit in a computerised environment (computer-assisted audit techniques e.g. audit interrogation software).

Learning outcomes

On completion of the course, students should be able to:

- Evaluate control systems for organisational activities and resources.
- Evaluate types of risk facing an organisation.
- Evaluate risk management strategies and internal controls.
- Evaluate governance and ethical issues facing an organisation.
- Discuss the importance of management review of controls.
- Evaluate the process and purposes of audit in the context of internal control systems.
- Evaluate financial risks facing an organization
- Evaluate alternative risk management tools.
- Evaluate the benefits and risks associated with information related systems.

Suggested Readings:

- Robert Anthony (Author), Vijay Govindarajan: Management Control Systems
- Anthony, R N & Govindarajan, V (2001) Management Control Systems. Boston: McGraw-Hill.
- Manuel, C, Otley, D & Merchant, K (1990/1996) Accounting for Management Control. London: International Thomson Business Press Henri, J-F (2006)
- Merchant, K A & Van der Stede, W A (2003) Management Control Systems: Performance Measurement, Evaluation and Incentives. Harlow: Prentice Hall.

STRATEGY, LEADERSHIP AND ETHICS

Contents

- The Concept of Strategy: Levels of strategy and planning, Setting mission, aims, goals & objectives, Matching strategy and structure, The competitive environment, Ethical, political & social considerations.
- Strategic Management and Operational Management.
- Perspectives on Strategy: Deliberate and emergent strategy.
- The Marketing Dimension: Marketing management concepts, Analyzing marketing opportunities, Market segmentation, the marketing mix, Strategic planning and marketing management, Market place models.
- Environmental Analysis: The macro environment, Industry/Sector analysis, Market analysis, Opportunities & threats.
- Assessing Strategic Capability: Critical success factors, Assessing resources, Identifying core competencies, Benchmarking, Assessing strengths and weaknesses.
- Measuring Stakeholder Expectations: Corporate governance, Stakeholder analysis, Identifying stakeholder expectations, Business ethics, and Cultural considerations.
- Corporate Level: The role of the corporate centre, Portfolio manager, corporate core competencies, Manager, Restructurer, Synergy manager, Parental developer, The Corporate Portfolio, The Growth/Share Matrix, The Directional Policy Matrix, The Relatedness Matrix, Corporate Diversification.
- Business Level: Bases of competitive advantage, Sustaining competitive advantage, Game theory, Competition and collaboration, Value Innovation, Business ecosystems, Business case development, Supporting the entrepreneur & new venture creation.
- Strategy Development: Directions, Methods, Success criteria.

- Structure and Processes: Organisation structure, Planning & control systems (incl. ERP, Balanced Scorecard), Market mechanisms, Social/cultural process.
- Managing Key Enablers: H.R. Management, Organisational behaviour, Leadership, Information and Technology.
- Managing the Change Process: Change management, Project management.

Learning Outcomes

On successful completion of this subject, students should be able to:

- Display a detailed understanding of strategic development, marketing and market place strategy.
- Integrate and apply effectively theories and concepts from strategic management and related disciplines to solve business problems in complex and diverse situations.
- Identify, develop and lead appropriate business strategies, in support of entrepreneurial activities and existing organisations.
- Evaluate the importance of knowledge management in strategy implementation, and advise on the implementation of appropriate systems, processes and solutions.
- Develop and promote a business case.
- Initiate and lead complex projects successfully.
- Communicate effectively to a variety of audiences

Suggested Readings

- Larcker, David and Tayan, Brian, *Corporate Governance Matters: A Closer Look at Organizational Choices and Their Consequences*, (Pearson Education 2011) ISBN: 978-0-13-218026-9
- Johnson G., Scholes K., Whittington R., , *Exploring Strategy*, 9th. Edition (2011) Pearson ISBN 9780273732020
- Daft / *New Era of Management, International 9th Edition* / Cengage 2010 / ISBN-13:9780324598193 / ISBN-10: 032459819X
- Dess, Eisner and Lumpkin / *Strategic Management – Text and Cases* / McGraw-Hill 2009 / ISBN 0073530417 ISBN 9780073530413

- Kotler Philip, Kevin Lane Keller, Marketing Management, 14th. Edition (2011) Prentice Hall, ISBN: 0273753363 Gunnigle G., Heraty N., Morley M., Human Resource Management in Ireland, 4th. Edition (2011), Gill and Macmillan, ISBN 9780717149797.
- Mullins / Management and Organisational Behaviour 9th Edition / Pearson 2010 / ISBN 027372861X ISBN 9780273728610
- Calderini, M., Garrone, P. & M. Sobrero (eds.) (2003). *Corporate governance, market structure and innovation*. Cheltenham: Edward Elgar.
- Carlsson, R. H. (2001). *Ownership and value creation: strategic corporate governance in the new economy*. Chichester: John Wiley & Sons.
- Carter, C. & J. Lorsch (2003). *Back to the Drawing Board: Designing Corporate Boards for a Complex World*. Cambridge: Harvard Business School Press.