# Corporate Governance

**Academic Year: ( 2022 / 2023 )** **Review date: 09-05-2022**

**Department assigned to the subject: Business Administration Department**

**Coordinating teacher: MERIDA GUTIERREZ, ADRIAN LUIS**

**Type: Compulsory ECTS Credits : 3.0**

**Year : 1 Semester : 2**

## OBJECTIVES

The aim of the course is to provide students with an overview of the main topics in corporate governance both at a theoretical and empirical level.
After this course they should be able to:
- Comprehend why the interests of the shareholders differ from the interests of other stakeholders, why managerial decisions may be oriented to suit some particular interests and how this in turn may destroy firm value.
- Critically understand the mechanisms used to govern firms, including evaluation criteria of top managers.
- Comprehensively understand the factors that influence the functioning and decision-making of a board of directors, and its effects in terms of firm strategy and performance.
- Assess the effects of capital market globalization for corporate governance and strategy in different countries.
- Discover the reasons behind the existence of different models of governance within specific countries and across the world, as well as analyze the potential gains and costs associated to these alternative governance models.
- Assess the relative importance of foreign economic actors and local institutions for managerial decision-making.
- Assess the benefits and costs related to investments in corporate social responsibility and its interrelationships with other corporate governance mechanisms.

## DESCRIPTION OF CONTENTS: PROGRAMME

1. Introduction to Corporate Governance
2. Corporate Governance Mechanisms
3. The Board of Directors: Market for Directors and Board Structure
4. The Market for Executives
5. The Market for Corporate Control
6. Institutional Shareholders and Activist Investors
7. Corporate Social Responsibility

## LEARNING ACTIVITIES AND METHODOLOGY

The teaching methods employed are:

-lectures (including a review of the theory and the empirical evidence supporting it)
-case studies
-class discussions (based on the taught theory and cases)
-team assignments, including debates and presentations

Participants will have to form teams. Team formation will take place during the first session.

## ASSESSMENT SYSTEM

Continuous evaluation: 50%
Final Exam: 50%

The continuous evaluation refers to individual and group work during the course. It includes oral presentations, team debates, and short quizzes based on the case studies that will be taught throughout the course.

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| **% end-of-term-examination:** | 50 |
| **% of continuous assessment (assigments, laboratory, practicals…):** | 50 |

## BASIC BIBLIOGRAPHY


- Aguilera, R. V., & Jackson, G.  Comparative and international corporate governance., Academy of Management Annals, 4(1): 485-556., 2010
- Dalton, D. R., Hitt, M. A., Certo, S. T., & Dalton, C. M. The fundamental agency problem and its mitigation: Independence, equity, and the market for corporate control, Academy of Management Annals, 2007

- Larcker, D., & Tayan, B. Corporate governance matters: A closer look at organizational choices and their consequences., Pearson education., 2015
- Westphal, J. D., & Zajac, E.  A behavioral theory of corporate governance, Academy of Management Annals, 7(1): 605-659., 2013