CORPORATE GOVERNANCE
Course Brief Description

Number of credits: 3 ECTS
Course period: 8 semester / 3 classes per week
Language of Instruction: English

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Course description:

This course focuses on the economic, political, technical, strategic, and competitive factors and conditions impacting national and industrial sector performance in an increasingly global, cross-cultural and volatile marketplace. Students will consider concepts and examples that assist in understanding the complexities and dynamism of the global business environment.
The course covers topics on corporate governance in the world and transition case of Russia. The material reviews major corporate governance problems and mechanisms for their mitigation such as board of directors, CEO compensation, takeover market, and corporate governance regulation. The link between shareholder value on one side and financial aspects of corporation (debt versus equity financing, M&A and dividend policy) on the other side is examined. The mission of course is presentation of transformation of corporate behavior under the influence of economic development in the world. The course presents the patterns of corporate control in Russian corporations and abroad, also discusses the state motives as shareholder and regulatory, problems with the disclosure and so on. The application of organization theory, agency theory, stakeholder theory, and stewardship theory to corporate governance and board's practice issues will be stressed in the course. The discipline is based on case-study and research-led teaching.

Essential skills for academic study: to carry out research of corporate governance mechanisms in Russian corporations and in companies around the world based on desk research, case-study and profound business and academic literature analysis.

Practical Skills: to apply proven theoretical and conceptual knowledge of corporate governance in corporate practice and performance of non-corporate business (cases of family companies, non-profit business, state-owned companies); to operate effectively with a normative literature in corporate practice and law and demonstrate communication skills in a global environment.

Computer skills using within the course: Excel, Eviews/Stata.

Prerequisites: Corporate Finance, International Financial management, Strategic Management, Econometrics

Postrequisites: no.

References:

Required literature:
- Monks R.A.G., Minow N. (2004) Corporate Governance. Third Edition. Bkackwell Publishing.
- Tricker B. (1999) Pocket Director: Essentials of Corporate Governance from A-Z (Economist Books), 229 p.
- OECD Principles of Corporate Governance, 1999. Link [http://www.oecd.org/dataoecd/32/18/31557724.pdf]

Additional Literature:
- Aivazian V., Booth L., Cleary S. Do Emerging Market Firms Follow Different Dividend Policies from U.S. Firms? // Journal of Financial Research.2003.№ 6. pp. 371-387.
- Bebchuk, L. A., Weisbach M.S. The State of Corporate Governance Research // Fisher College of Business Working Paper Series, 2009
- Berezinets I., Ilina Y., Muravyev Alexander. The Structure of Corporate Boards and Private Benefits of Control: Evidence from the Russian Stock Exchange // International Review of Financial Analysis. 2014. Vol. 34. P. 247-261.
- Black B. The Corporate Governance and Market Value of Russian Firms // Emerging Markets Review. 2001. № 2. pp. 89-108
- Dolgopyatova T. G. Corporate Governance in Russian Big Business: Trends of 2000s // Baltic RIM Economies Review. 2017. No. 2. P. 37.
- Dolgopyatova T., Libman A., Yakovlev A. The Unintended Benefits of Empowering Boards in Conglomerates: The Case Study of AFK Sistema. WP BRP 49/MAN/2016 / NRU Higher School of Economics. Series MAN "Management". 2016. No. 49.
- Dolgopyatova T. G., Iwasaki I., Yakovlev A. A. Organization and Development of Russian Business: A Firm-Level Analysis. Palgrave Macmillan, 2009.
- La Porta R., Lopes-de-Silanes F., Shleifer A., 1999, Corporate Ownership Around the World, The Journal of Finance, Vol. LIV, No.2
- Muravyev, A. Turnover of senior managers in Russian privatized firms'. Comparative Economic Studies, 2003. No. 45(2): 148–172.
- Muravyev A., Talavera O., Weir C. Performance Effects of Appointing Other Firms' Executive Directors to Corporate Boards: An Analysis of UK Firms // Review of Quantitative Finance and Accounting. 2016. Vol. 46. No. 1. P. 25-45.
- Muravyev Alexander. Investor Protection and the Value of Shares: Evidence from Statutory Rules Governing Variations of Shareholders' Class Rights in an Emerging Market // Journal of Law, Economics, and Organization. 2013. Vol. 29. No. 6. P. 1344-1383.
- Shleifer A. and Vishny R., 1997, A Survey of Corporate Governance, The Journal of Finance, Vol.LII, No.2
- Tirole J. 2001, Corporate governance, Econometrica, Vol.69. No.1, p. 1-35

Other Resources (Journals and Databases):
Harvard Business Review
Russian Journal of Management
Specific article and reading materials are suggested during the course
SPARK-Interfax (www.spark-interfax.ru), in Russian
Mergers and Acquisitions in Russia (http://mergers.ru/deals/), in Russian

Course Outline
Introduction and orientation
Lecture 1: Modern concept of Corporate Governance
Lecture 2: Corporate Governance around the world.
Lecture 3: Theory of Corporate Governance: agency problem
Lecture 4: Institutional basis of Corporate Governance

Lecture 5: Board of Directors: functions, structure, effectiveness, duties and responsibilities
Lecture 6: Mechanisms for resolving agency conflict
Lecture 7: Corporate Governance: Control and Finance
Lecture 7: Researches of Modern Corporation

Learning and Teaching
The course consists of eight 2-hour lectures, one 2-hour colloquium, eleven 2-hour class seminars, one 4-hour group project defense and one 2-hour class control work which will provide knowledge on core concepts in corporate and governance and critically review recent research in the area. Students are advised to read compulsory reading in advance before each lecture. Students are also expected to undertake a substantial amount of private study and research.

Lectures. Participating in the lectures is essential part of the course. All enrolled students are therefore expected to participate in all lectures and read all assigned papers.

Seminars. The course requires active student participation. Students are expected to read the assigned textbook chapters, cases and articles, do exercises on regression analysis before classes. There will be a midterm exam, a final exam, case studies and a team project.

Assignments. Working in multi-cultural teams, students will prepare a group research project. The project report should be between 12 and 15 pages in length. It should include relevant theoretical and empirical literature, discussion on a research statement, referring to information from other sources with a use of Harvard referencing style (for more information, see http://www.shef.ac.uk/library/libdocs/hsl-dvc1.pdf) and a full list of references at the end of the paper. The students are also expected to prepare a multimedia presentation.

Mid-term exam consists of a multiple choice test of 20 questions that deal with terms, ideas, and facts covered during the previous weeks and a short (not exceeding 250 words) written answer to one of two questions based on material covered during the previous weeks.

Group presentation. A PowerPoint (or Prezi, or OpenOffice) presentation of 15 slides prepared by a working group (depending on the number of students in the class but not more than four students in a group) on one of the issues covered in the course. Presenters are expected to demonstrate their inputs in a group work and skills of empirical results interpretation.

Final examination will be for a duration of 2 academic hours. The examination will include questions associated with material covered in the text and the seminars and will be provided in open-ended questions.

This course adopts a 100-point system for final marking. The six above mentioned elements (active attendance, research project, colloquium, mid-term exam, final exam and group presentation) provide points for the marking scheme. A final mark is determined by the summing-up of the points as follows.

Active Attendance in Seminars and Lectures	15
Research Project	20
Mid-term Exam	5
Colloquium	5
Presentation	5

Final Exam	50
Total	100

Grading:

ECTS Grade	Points	Russian grade
A	100-91 points	"excellent": 100–80 points
B	90-81	
C	80-71	"good": 79– 60 points
D	70-61	
F: failed	less than 60 points: failed	"satisfactory": 59–40 points
		"unsatisfactorily": failed, less than 40 points