

Law and Policy in International Business: Corporate Governance

Syllabus

2003 Fall Semester
Graduate School of Int'l Studies
Yonsei University

Prof. Joongi Kim 김준기; Tel: x 4181
Office: New Millennium Hall Room 606
Email: kimjg@yonsei.ac.kr.

Class Hours: Wednesdays 9 – 11:50 (Room 112)
Office Hours: Tuesdays 4 – 6 pm (or by appointment)

Course Description:

Corporate governance has emerged as one of dominant issues in our world. This course will study the major policy and legal issues that surround corporate governance. A key question that arises is how to regulate international business, if at all. The first section of this course will focus on the basic structure and governance of corporations that carry out international business. It will include the relationship of management, shareholders and stakeholders (employees, creditors and banks) and also will cover corporate control such as mergers and acquisitions, especially in light of the increasingly transnational nature of business. Corporate governance as a whole has become one of the dominant issues in international circles. The second half of the course will explore such international policy issues as international antitrust issues, the regulation of international corruption and the establishment of internal controls. As a result, the course will focus on the historic incidents involving such leading companies as Worldcom, Enron, SK Global and Samsung Electronics.

Most of these issues will be explored through case studies and problem solving. Grading will be based on class participation and attendance (30%), a midterm examination (20%) and a final examination (50%). Active class participation is strongly encouraged. Alternatively, students may write a substantive paper in lieu of the examinations. For each week's class, certain pre-designated individuals ("Designated Hitters") will be called upon to provide an outline of the relevant subject matter and lead class discussion.

Textbook, Class Material and References:

Selected articles, case study materials concerning current business issues

Class Schedule

- 1) Sept 3 Introduction: Ethics & the Law
Jack Kristie, Evolution of Governance, Directors & Boards
- 2) Sept 10 Corporate Social Responsibility
Milton Friedman, "The Socially Responsibility of Business is to Increase Profits," New York Times Magazine (1970) (reprinted with permission); Cynthia Williams, "Corporate Social Responsibility in an Era of Economic Globalization," 35 U.C. Davis Law Review 705 (2002)(reprinted with permission); Douglas Branson, "Corporate Governance 'Reform' and the New Corporate Social Responsibility," 62 U. Pitt. L.Rev. 605 (2001)(reprinted with permission).
- 3) Sept 17 Origins of Corporate Law & Fiduciary Duty
Katharina Pistor, et al. "The Evolution of Corporate Law," 23 U. Penn.J. Int'l Econ. L. 791 (2002)(reprinted with permission); Meinhard v. Salmon
- 4) Sept 24 Director and Officers: Duty of Loyalty, Duty of Care & Business Judgment Rule
Shlensky v. Wrigley; Joy v. North; Cookies Food Product v. Lakes Warehouse Distributing; Northeast Harbor Golf Club v. Harris
- 5) Oct 1 Director and Officers: Duty of Care & Piercing the Corporate Veil
Smith v. Van Gorkom; Walkovsky v. Carlton;
- 6) Oct 8 The Collapse of Enron: Role of the Board
Jeffrey Gordon, "What Enron Means for the Management and Control of the Modern Business Corporation," U. Chicago (2002); Bratton, "Enron and the Dark Side of Shareholder Value," 76 Tulane Law Review (2002); Powers Report, Special Investigative Committee of the Board of Directors of Enron (2002); Watkins Letter to Lay (2001)
- 7) Oct 15 The Collapse of Enron: The Gatekeepers
Bratton, "Enron and the Dark Side of Shareholder Value," 76 Tulane Law Review (2002); John Coffee, "What Caused Enron?: A Capsule Social And Economic History of the 1990s," Center for Law and Economic Studies, Columbia Law School, Working Paper No. 214 (2003); "Financial Oversight of Enron: The SEC and Private-Sector Watchdogs," Permanent Subcommittee on Investigations, Senate Committee on Governmental Affairs (2002)
- 8) Oct 22 Midterm Exam
- 9) Oct 29 Worldcom
- 10) Nov 5 Sarbanes-Oxley Act: Accountability and Transparency
- 11) Nov 12 Comparative Corporate Governance: Convergence or Divergence?
- 12) Nov 19 Korean Corporate Governance

- 13) Nov 20 Korean & Japanese Corporate Governance
- 14) Dec 3 Cross-Listing, Migration and Bonding
- 15) Dec 10 Institutional Investors / Socially Responsible Investing
- 16) Dec 17 Final Exam