FEDERAL STATE BUDGET EDUCATIONAL
INSTITUTION OF HIGHER EDUCATION
“LOMONOSOV MOSCOW STATE UNIVERSITY”

FACULTY OF ECONOMICS

«APPROVED»

Dean of the Faculty of Economics, MSU

professor _____________ A.A.Auzan

«___» ____________2021

COURSE SYLLABUS

Course title:

GLOBAL TRENDS IN CORPORATE GOVERNANCE (IN ENGLISH)

Level of higher education:

MASTER STUDIES

Field of study:

38.04.02. MANAGEMENT

Mode of study:

FULL-TIME

Course syllabus is considered and approved by
the Educational and Methodological Council of the Faculty of Economics
(minutes №__________, date)

Moscow 2021

The course syllabus is developed in accordance with the self-established MSU educational standard (ES MSU) for implemented main professional educational programs of higher education for Master's degree in the field of study 38.04.02. Management

ES MSU is approved by the decision of MSU Academic Council dated December 28, 2020, minutes №7

Year (years) of enrollment: 2021 and forthcoming

1. Place and status of the course in the structure of the Master program

Course status: *elective*
Trimester: 4th

2. Course Prerequisites

This discipline is based on the knowledge and skills acquired as a result of studying following courses:

— Organizational Behavior,
— Strategic Management,
— International Business.

3. Intended learning outcomes (ILO) of the course associated to the required competencies of the graduates

Competencies of graduates (codes)	Indicators of achievement of competencies	Intended learning outcomes of the course (module) associated to the required competencies of the graduates
PC-9. Capable of finding, systematizing and analyzing information in the field of management consulting	**PC-9.I-1.** Defines the information base of research in the field of management consulting	**PC-9.I-1.K-1.** Knows the information base of research in the field of management consulting
		PC-9.I-1.A-1. Able to collect information in the field of management consulting
	PC-9.I-2. Selects methodology and develops tools for systematization and analysis of information in the field of management consulting	**PC-9.I-2.K-1.** Knows the methods of systematization and analysis of information in the field of management consulting
		PC-9.I-2.A-1. Able to analyze and systematize collected information in the field of management consulting
PC-10. Capable of carrying out consulting management projects	**PC-10.I-1.** Conducts consulting research	**PC-10.I-1.K-1.** Knows main technologies and methods of conducting consulting research
		PC-10.I-1.A-1. Able to correctly select and apply methods and tools for developing solutions to the formulated management issues
	PC-10.I-2. Presents the results of the conducted study in the form of	**PC-10.I-2.A-1.** Able to present the results of consulting research in the form of recommendations

	recommendations	
SPC-1. Capable of managing multicultural teams in organizations with different forms of ownership and communicating efficiently in foreign languages in the process of international activity	**SPC-1.I-1.** Manages teams considering the multicultural diversity of their participants in organizations / companies of various forms of ownership	**SPC-1.I-1.A-1**. Able to analyze managerial situations that arise in multicultural teams
		SPC-1.I-1.A-2. Able to develop strategies for managing talent and diversity in diversity teams
	SPC-1.I-2. Carries out effective communication in foreign languages when solving professional tasks related to international business activities	**SPC-1.I-2.A-1.** Able to negotiate in foreign languages considering cross-cultural differences and peculiarities of corporate cultures of various foreign countries, and evaluate their influence on the external environment
		SPC-1.I-2.A-2. Able to adapt leadership and managerial styles to the characteristics of cross-cultural organizations
SPC-4. Capable of understanding different aspects of social, ethical, and personal responsibility that emerge during the practical work at international organizations	**SPC-4.I-2.** Understands social, ethical and personal responsibility in the course of practical work in international organizations	**SPC-4.I-2.K-1.** Knows the responsibility of the leader in the formation and maintenance of an ethical environment of a company in its practice
		SPC-4.I-2.K-2. Knows the basic principles of corporate and social responsibility of business and the influence of country specifics on these principles

4. Workload of the course by types of activity

The workload of the discipline is 6 ECTS: 216 academic hours, including 108 academic hours of contact work with a professor, 108 academic hours of self-directed studies.

5. Learning format

Full-time, with the use of educational platform On.Econ (use of distant learning technologies is allowed if necessary).

6. Content of the course structured by topics (sections) indicating the number of academic hours allocated to them and types of training

Title and brief content of sections and topics of the course (module), **Form of assessment for the course**	**Total (hours)**	**Contact work (work in contact with a professor)** ***Types of contact work, hours***	**Student self-directed studies** ***Types of self-directed studies, hours***

(module)		Seminars	Group consultations	Individual consultations	**Total**	Group project	Analytical report	Written examination	**Total**
Topic 1. What is Corporate Governance. Introduction to the course.	**21**	8	-	4	**12**	3	5	1	**9**
Topic 2. Agency Theory	**17**	4	-	4	**8**	3	5	1	**9**
Topic 3. Annual report and other sources of information about a company	**21**	4	-	4	**12**	3	5	1	**9**
Topic 4. Business Ethics	**17**	4	4	-	**8**	3	5	1	**9**
Topic 5. Corporate scandals	**17**	4	4	-	**8**	3	5	1	**9**
Topic 6. Corporate Governance Codes	**21**	4	-	4	**12**	3	5	1	**9**
Topic 7. Audit, Remuneration and Nomination Committee	**17**	4	4	-	**8**	3	5	1	**9**
Topic 8. Code of conduct	**17**	4	4	-	**8**	3	5	1	**9**
Topic 9. Governance of sustainability	**17**	4	-	4	**8**	3	5	1	**9**
Topic 10. Environmental, Social and Corporate Governance	**17**	4	-	4	**8**	3	5	1	**9**
Topic 11. Environmental, Social, Governance (ESG)	**12**	4	-	4	**8**	3	-	1	**4**
Topic 12. Case studies on corporate governance in companies around the world	**14**	4	4	-	**8**	5	-	1	**6**
Midterm assessment (control): — *Written examination*	**16**	4	-	4	**8**	-	-	8	**8**
Total	**216**	**56**	**20**	**32**	**108**	**38**	**50**	**20**	**108**

Brief content of the course topics

Topic 1. What is Corporate Governance. Introduction to the course.

Definitions of corporate governance. Stakeholders of a company. Trust as a fundamental issue. Why is Corporate Governance so important? Major events in Corporate Governance. Types of regulations for corporate governance. Brief history of the development of joint stock companies and their relationship with shareholders.

Topic 2. Agency Theory.
What is agency theory. Separation of goals between wealth maximization of shareholders and the personal objectives of the managers. Key concepts of Agency Theory. Principal-Agent relation and corporate governance. Agency Costs. Agency problem. Agency Theory Consequences. Directors, fiduciary responsibilities. Board of Directors and Company Management. Types of Board Directors.

Topic 3. Annual report and other sources of information about a company.
Reading an annual report. Cover page. Letter to shareholders. Financial Statements. Management discussion and analysis (MD&A). Auditor's report. Reports from committees on the board of directors and other reports issued by the company. Other sources of information about the company: reports in the press, filings with SEC, financial analysts, press releases, proxy statements.

Topic 4. Business Ethics.
What is business ethics. Why ethics? Ethics and business. Development of ethics. Fundamental ethical questions. Moral vs. non-moral standards. Corporate ethical issues in the system of ethical issues. Compliance in corporations. Insider trading. Related party transactions.

Topic 5. Corporate scandals.
Major corporate scandals. Enron. World Com. Tyco, Vivendi. Ahold. Parmalat. Complaints about executive pay. International Corporate Governance Network – ICGN. Aftermath of major corporate scandals.

Topic 6. Corporate Governance Codes.
Corporate Governance in the USA. Summary of the Sarbanes-Oxley (SOX) Act of 2002. Key changes created by Sarbanes-Oxley Act.
Corporate Governance in the UK. Overview of the UK Corporate Governance Code.

Topic 7. Audit, Remuneration and Nomination Committee.
Main responsibilities of Audit, Remuneration and Nomination Committees. Composition of Audit, Remuneration and Nomination Committees. Accountability. Remuneration Schemes (Plans). Determining Executive Remuneration Policy. Components of CEO Compensation Package. Performance Evaluation of CEO and Executive Directors.

Topic 8. Code of conduct.
Board of Directors establishing and monitoring controls. Typical Policies: Code of Conduct, Anti – corruption, HR Policies, Share Dealings, Procurement and Contracting Policies, IT computer usage. Breach of code of conduct. Incident reporting and processing the incident report. Whistleblowing.

Topic 9. Governance of sustainability.
Board of Directors and Company creating a sustainable future. Corporate social responsibility (CSR). CSR as a corporate philanthropy. CSR as a risk management. CSR as value creation. Importance of CSR. Stakeholder paradox. Mendelow's matrix. CSR addressing the sustainability of the company. Tone at the Top.

Topic 10. Environmental, Social and Corporate Governance.
Environmental, Social and Corporate Governance (ESG) factors. History of ESG. ESG impact on the Board of Directors, on Agency Theory, on Company Management, on Stakeholders.

Topic 11. Environmental, Social, Governance (ESG)
The development of ESG. The shareholder pressure for more accountability and transparency.
How must Companies reflect the values of shareholders? How does ESG give value? The relationship between ESG and Sustainability.

Topic 12. Case studies on corporate governance and ESG in companies around the world.
Students' reports examining corporate governance of specific companies.

Note: In order to make the principles of ESG relevant, each student should be assigned a separate publicly listed Company as a point of reference and research model for assignments

Midterm assessment (control) — Written examination

7. Assessment tools to assess the course learning outcomes

7.1. Sample assessment tools:

Learning outcomes of the course	Types of assessment tools
PC-9.I-1.K-1. Knows the information base of research in the field of management consulting	• Group project • Analytical report
PC-9.I-1.A-1. Able to collect information in the field of management consulting	• Group project • Analytical report
PC-9.I-2.K-1. Knows the methods of systematization and analysis of information in the	• Group project

field of management consulting	• Analytical report • Written examination
PC-9.I-2.A-1. Able to analyze and systematize collected information in the field of management consulting	• Group project • Analytical report
PC-10.I-1.K-1. Knows main technologies and methods of conducting consulting research	• Group project • Analytical report
PC-10.I-1.A-1. Able to correctly select and apply methods and tools for developing solutions to the formulated management issues	• Group project • Analytical report
PC-10.I-2.A-1. Able to present the results of consulting research in the form of recommendations	• Group project • Analytical report
SPC-1.I-1.A-1. Able to analyze managerial situations that arise in multicultural teams	• Group project • Analytical report
SPC-1.I-1.A-2. Able to develop strategies for managing talent and diversity in diversity teams	• Group project • Analytical report
SPC-1.I-2.A-1. Able to negotiate in foreign languages considering cross-cultural differences and peculiarities of corporate cultures of various foreign countries, and evaluate their influence on the external environment	• Group project • Analytical report
SPC-1.I-2.A-2. Able to adapt leadership and managerial styles to the characteristics of cross-cultural organizations	• Group project • Analytical report
SPC-4.I-2.K-1. Knows the responsibility of the leader in the formation and maintenance of an ethical environment of a company in its practice	• Group project • Analytical report • Written examination
SPC-4.I-2.K-2. Knows the basic principles of corporate and social responsibility of business and the influence of country specifics on these principles	• Group project • Analytical report • Written examination

7.2. Course assessment criteria (scores):

Types of assessment tools	**Score**
Group project	120
Analytical report	120

Written examination	60
Total	**300**

7.3. Grade for the course is determined based on the following criteria:

Grade	Minimum score	Maximum score
Excellent	255	300
Good	195	254,9
Satisfactory	120	194,9
Failed	0,0	119,9

Note: in case a student's score obtained during the trimester is less than 20% of the maximum score of the discipline, the following rule of passing the course should be applied at the midterm assessment (and further re-examination): 'a student can obtain only a satisfactory mark and only in case she/he receives for the midterm assessment, including all the course material, no less than 85% of the score allocated to this assessment'.

7.4. Typical tasks and other materials necessary to assess the learning outcomes:

— *Group project*

Sample questions included in the assignment for a group project:

1. Describe the scandal that was found in the Company that you and your team researched and presented? (5)
2. What were the Corporate Governance failures that lead to the scandal? (5)
3. What were the consequences to the company and its shareholders? (5)

— *Analytical report*

Students are required to use an assigned company as the model and identify and evaluate its corporate governance (individually).

Sample questions included in the assignment for an analytical report:

- Briefly describe the company and its activities
- Identify the Board of Directors and evaluate each member's qualification to be serving the board of directors.
- How are the Board members compensated?

- How many other companies do the board members serve on?
- What is the balance of independent and executive board members?
- What company scandals has the company faced in the last five years and how has the company rectified them?
- What is your overall evaluation of the company's corporate governance and ESG?

— *Written examination*

Sample questions:

- Why is Corporate Governance important to shareholders and the management of the Company?
- What is Agency Theory as it applies to Corporate Governance?
- How are CEOs and CFOs personally accountable under section 404 of Sarbanes-Oxley?
- Why must all members of the Audit Committee be independent directors?

7.5. Methodological guidelines and assignment requirements:

— *Group project*

Students should organize themselves into groups of no more than 5 students. Each group will be assigned a specific company for the assignment. Each group at the end of the course will present the project results.

Effective presentations critical success factors:

- Make sure that all members of the team are able to participate in the presentation
- All team members should be ready and able to answer any questions related to any slide in the presentation.
- Remember you own all the words in your presentation. So any words on each slide should be understood.
- Make sure that your source material is acceptable. Best to use business journals, books, articles in newspapers, federal agencies, etc

— *Analytical report*

Each student will be assigned a specific company for the assignment. Students need to write a report (individually) in a essay format following all guidelines for essays including attributions, references, and bibliography. The report should be no more than 10 pages. Attachments may be also up to 10 pages.

— *Written examination*

It will be comprised of ten open questions that will need an essay-style answer. Questions are based on all the material examined before the examination. To pass it successfully students are required not only to study the materials of contact lessons, but also recommended literature.

8. Resources

8.1. List of main and additional literature

9. Main and additional literature:

Main literature:

1. Materials to be distributed in class
2. Richard Leblanc, The Handbook of Board Governance, John Wiley & Sons, 2016
3. Sabanes-Oxley Act, 2002
4. The UK Corporate Governance Code

Additional literature:

1. Corporate Governance 5th Edition, Robert A.G. Monks,
2. The Combined Code, Financial Regulatory Authority, Bulletin 2009

8.2. List of licensed software

Package of Software ‘Microsoft Office’.

8.3. List of professional databases and information referral systems

Institutional subscription resources of the Faculty of Economics, MSU.

8.4. List of Internet resources (if necessary)

— Harvard Business Review: https://hbr.org/

— U.S. Securities and Exchange Commission https://www.sec.gov/

8.5. Description of material and technical support

For the appropriate organization of classes, the following equipment is needed:

- ‘ON.ECON’ electronic educational information environment of the Faculty of Economics, Lomonosov Moscow State University;
- multimedia class with a video projector, Internet access
- Institutional subscription resources of the Faculty of Economics, MSU.

10. Language of instruction: English

11. Professor (professors): Rohan Gerald Joseph

12. Syllabus authors: Rohan Gerald Joseph