

SEATTLE UNIVERSITY
ACCT4940 / ACCT5940: COMPARATIVE CORPORATE GOVERNANCE
SYLLABUS FOR EU STUDY TOUR 2018
SEPTEMBER 2 TO 15, 2018

Instructor: Prof. Valentina Zamora
Email: zamorava@seattleu.edu

Office: Pigott Bldg 414
Phone: (206) 296-5703

Overarching question:

How does a company's governance structure balance managerial autonomy with corporate accountability?

Course Rationale/Description:

“**Corporate governance** is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance structure is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.” ~ Sir Adrian Cadbury, UK, Commission Report: Corporate Governance 1992.

In a corporation, shareholders provide current resources in return for future value, but managers are the ones who make the strategic, financial, and other day-to-day business decisions. Hence, a well-functioning governance structure aims to balance managerial autonomy in making business decisions with managers' accountability, not only towards shareholders but also towards a broader set of stakeholders who have a vested interest in the corporation. In contrast, a dysfunctional governance structure may stifle managerial performance and/or exacerbate rent-seeking behavior. As such, corporate actors that together make up the corporate governance structure are often cited as both the corner solution for as well as the root cause of global financial crises, corporate collapses, and individual malfeasance. As future accountants, auditors, analysts, brokers, consultants, managers, shareholders, board members and/or policymakers, you will be expected to uphold corporate governance policies and may have opportunities to add value to corporate governance practices in the U.S. and abroad. Hence, this course is designed to enhance your credentials as global, corporate citizens who can engage critically with other actors that together form an organization's governance structure.

This course is thus designed to introduce you to corporate governance, and specifically the interactions among corporate actors and institutions that affect an organization's governance structure. This course is broad-based in that we will draw from corporate governance theories to frame *why* governance structures aim to balance managerial autonomy and corporate accountability; and also depth-focused in that we will explore real world US and EU examples of *how* actors and institutions interact and impact managerial autonomy and corporate accountability. In practical terms, we will (1) discuss and apply corporate governance theories that span multiple business disciplines, including accounting, finance, economics, and management; (2) analyze how incentives and information drive the key choices of corporate governance actors; and (3) compare and contrast corporate governance practices in the US and the EU. We have three main learning takeaways:

- Corporate governance aims to balance the goals and align the interests of various actors and institutions.
- Incentives and information differentially inform key actors' choices.
- As trust decreases, demand for transparency and rules increases.

Learning objectives: To succeed in this course, you must satisfactorily demonstrate all of the following:¹

- Comprehensively apply at least one corporate governance theory to one real business decision context
- Comparatively explain the roles of key actors in corporate governance in the US and the EU
- Critically evaluate cases of corporate governance using financial reporting and nonfinancial disclosures

¹ ACCT 4940 partially fulfills the following Undergraduate Business Foundation Learning Goal: Demonstrate understanding of the body of knowledge encompassed by the UG Business Foundation courses. ACCCT 5940 partially fulfills the following Graduate Learning Goals: Exhibit the ability to identify, measure, interpret, and incorporate relevant information in analyzing problems and making effective business decisions.

Learning approach: Three anchors will characterize our shared responsibilities for learning in this course: (1) **integration** – we will leverage your prior coursework to develop an understanding of corporate governance; (2) **interaction** – we will actively participate in briefing meetings with experts and in debriefing discussions with peers; and (3) **introspection** – we will engage in sense-making by giving new meaning to past coursework as we reflect on our learning experiences. You are expected to come prepared to ask or answer questions from your work in and outside of class; discuss related issues, other points of view, or even opposing ideas. I rely on you to make the course productive and interesting. You can rely on me to present course materials as clear and relevant to your professional development and personal formation. Hence, it is our *joint* responsibility to present each other opportunities to succeed. It is your *individual* responsibility to take advantage of those opportunities.

Learning Resources:

- **Canvas:** The course site contains session notes, articles, and other course materials. If you are missing handouts, go here first. You are expected to have reliable access to a computer with internet connection and to use the latest version of Firefox (not Internet Explorer) for full functionality. **Please use Canvas for email.**
- **Technology:** To minimize distractions and disruptions, all electronic devices (cell phones, laptops, recording, etc.), including mine, must be turned off during our sessions except by prior agreement or if deemed to be course-relevant by the instructor.
- **Class schedule:** Your learning is our primary concern, so we may modify the sessions if, for instance, we discover it beneficial for you to spend more time on a certain topic and less on another.
- **SU Library:** Access relevant materials: <http://libguides.seattleu.edu/content.php?pid=132953&sid=2894693>.
- **Email:** You are responsible for any and all messages and assignments that are sent via Canvas or SU email. If you have a different, preferred email address, then forward your mail accordingly. Please be sure to maintain free space in your mailboxes so that you can receive messages with attached documents. Email subject heading should read: “ACCT” where “XX” indicates the specific subject matter (e.g., Session 1 question). Due to the constant threat of viruses, I delete without reading any messages without a subject, or with a subject that I find suspicious. Please do not email to ask questions that can be answered by first referring to the syllabus, schedule, or Canvas course site. If you practice good business communication skills, then you can reasonably expect a timely response.
- **Instructor:** Office hours are MWF 12:30 – 1:30 p.m. and by appointment. Please use Canvas email to schedule an appointment. Use the subject heading: “Consult request” and in the body of your Canvas email message provide your broad windows of availability and the specific reason for your in-office (or call) request.
- **Classmates:** Your classmates are a valuable resource because they have access to the same class materials, notes, etc. You will be working with your classmates both in and outside of class, so it is to your mutual benefit to get to know each other. Hopefully you will be able to rely on each other as this will help foster precious, professional relationships and friendships.

University Resources and Policies:

- **Library and Learning Commons** (<http://www.seattleu.edu/learningcommons/>) resources include the Research [Library] Services, Learning Assistance Programs, Writing Center, and Math Lab.
- **Academic Integrity Tutorial** (<https://www.seattleu.edu/academicintegrity/>) you are responsible for.
- **Academic Policies** (<https://www.seattleu.edu/registrar/academics/performance/>) you are responsible for including: the Academic Integrity Policy, Academic Grading Grievance Policy, and the Performance Criteria for the Albers School of Business & Economics Policy.
- **Notice for students concerning Disabilities** <http://www.seattleu.edu/DisabilitiesServices/>. If you have, or think you may have, a disability (including an ‘invisible disability’ such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this course, you are encouraged to arrange support services and/or accommodations through Disabilities Services staff in Loyola 100, (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process. You are responsible for seeking help in a timely fashion to obtain disability-based adjustments to course expectations.