

Corporate Governance

Master in L&M 4E 2024/2025

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Office Hours By appointment

Aims and Scope

- The main goal is to stimulate the interest for the subject of Corporate Governance . • Corporate governance is a topic that is in the research agenda. Understand the ways companies are managed and controlled is essential to understand the performance of companies.
- Corporate governance studies the mechanisms of managing and controlling companies and the mechanisms to avoid conflicts of interests between owners and managers.
- The course will focus on both external and internal mechanisms and aims to relate them with companies performance.
- The course will present and study (some real) and case studies

Course Contents

1. Corporate Governance Definition
 - a. Objectives
 - b. Theoretical background
 - i. Theory of the firm
 - ii. Agency Theory
 - iii. Stakeholders Theory
 - iv. Other theories
 - c. The search of a new theoretical foundations
 - d. Models of corporate governance
2. Corporate Governance and the scandals
 - a. Presentation of the scandals
 - b. What can we learn from the scandals?
3. What are the good practices of “Corporate Governance”
 - a. Internal mechanisms
 - i. The role of the board
 - ii. Separation of powers : CEO vs Chairman
 - iii. The role of non-executives vs executives
 - iv. The role of diversity
 - v. The role of remuneration

- vi. The role of capital structure
 1. Dispersion vs concentration
 2. Special types of shareholders: Families, State, employees
 3. The role of institutional investors
- b. External mechanisms
 - i. Corporate Governance Codes
 1. Portugal
 2. The codes around the world
 - ii. Takeovers
 1. Relationship between corporate governance, transparency and risk
 2. Corporate governance and performance
 3. What is the future for corporate governance?

Assessment

- Papers presented and discussed: 50%
- Examination: 50%

References

- Main: Corporate Governance and Accountability, Jill Solomon, Wiley
- Other: Some papers that will be distributed in class