

**UNIVERSITY OF PUERTO RICO  
RÍO PIEDRAS CAMPUS  
SCHOOL OF BUSINESS ADMINISTRATION  
ACCOUNTING DEPARTMENT**

**SYLLABUS**

**TITLE**

*Special Topics in Accounting (Corporate Governance)*

**CODE**

*CONT 4997*

**PROFESSOR**

*Carmen Ríos Figueroa, Ph.D, CPA*

**NUMBER OF CONTACT HOURS and CREDIT HOURS**

*Three credit hours / 45 Contact hours*

**PREREQUIREMENTS**

*Philosophy, Theory and Problems of Financial Accounting II, also known as Intermediate Accounting II (CONT 4002) or Intermediate Financial Management (FINA 4125).*

**DESCRIPTION**

Introduction to the concepts of corporate governance for companies. Study of the relationships between shareholders or owners of companies and managers hired to manage their business, as well as those between corporations and other interested parties ("stakeholders") such as government, securities markets and others. Analysis of the different sources that generate doctrines and practices of corporate governance. Particular emphasis will be placed on the elements of corporate law, securities legislation and related federal and state statutes, corporate finance, and generally accepted accounting principles.

**COURSES OBJECTIVES**

At the end of the course, the student will:

1. Understand the principles of corporate governance, including the influence of corporate law and securities legislation on corporate finance, behavior of financial markets and accounting practices.
2. Understand the importance of the conflicts that arise from the relationships between institutional investors and other interested parties ("stakeholders") of a corporation.

3. Develop the skills and technical skills necessary to evaluate the corporate governance of a company and design and implement management strategies.
4. Know and analyze the most common models, tools and practices of corporate governance.
5. Understand the basic challenges to corporate governance and major controversies, including democracy among shareholders or members, majority voting, compensation to executives and voice and vote on incentive payments ("Say on Pay").
6. Acquire the training to understand corporate governance schemes at a global level.
7. Effectively communicate disputes and possible solutions related to corporate governance.
8. Understand the importance and necessity of ethical values and inter-personal skills as they apply in matters of Corporate Governance.

#### CONTENT OUTLINE

Topics	Hours	Book (author)/ Chapter	Cases/ articles/ movies
I. Introduction, course objectives, work plan and student evaluation	1.5		
II BUSINESS AND FREE MARKET SYSTEMS Free system of companies and capital markets Public trust and investor confidence Role and responsibility of business in society Role of financial information in capital markets	1.5	Zabiholla-1	Film- "Barbarians at the Gate"
III. CORPORATE GOVERNANCE Definition Aspects of corporate governance Structure, resources, reforms, qualifications and corporate governance reports Global convergence in corporate governance	3	Zabiholla-2 Larcker, Tayan-1	"Myths of of Corporate Governance" Various
IV. ETHICS IN BUSINESS Introduction to business ethics Triangle of ethics in business		Zabiholla-3	Corporate Governance case. Robert

			Monks & Millow
<p>V.</p> <p>ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS</p> <p>Roles and duties of the Board</p> <p>Committees, models and characteristics of the Board</p> <p>Selection of the Board</p> <p>Evaluation and education of directors</p> <p>Responsibility of the Board</p> <p>Effective corporate meetings</p>	1.5	Zabiholla-4 Larcker, Tayan-3	Case: GE-BOD change Case: Volkswagen
<p>VI</p> <p>ROLES AND RESPONSIBILITIES OF THE COMMITTEES</p> <p>Relevance of the Board Committees</p> <p>Audit Committee</p> <p>Compensation Committee</p> <p>Corporate governance committee</p> <p>Nominations Committee</p> <p>Other Committees</p>	1.5	Zabiholla-5 Larcker, Tayan-3	Case: Walt Disney, Monks & Minow
<p>VII.</p> <p>ROLES AND RESPONSIBILITIES OF THE MANAGEMENT</p> <p>Management responsibilities</p> <p>Corporate officers</p> <p>Compensation of executives</p> <p>Requirements and challenges of financial reports</p> <p>Internal control reports and certifications</p> <p>Enterprise risk management</p> <p>Tax accounting</p>	3	Zabiholla-6 Larcker, Tayan-8	Case: Merck and Trans Union Monks & Minow
<p>VIII.</p> <p>REGULATORY BODIES: RULES AND PRACTICES OF CORPORATE GOVERNANCE</p> <p>"Sarbanes-Oxley Act" of 2002</p> <p>"Securities and Exchange Commission"</p> <p>"Public company Oversight Board"</p> <p>"American Institute of Certified Public Accountants"</p> <p>"Financial Accounting Standards Board"</p> <p>"Government Accounting Standards Board"</p>	3	Zabiholla-7	JAR-Vol 16 # Fall 2017

<p>"International Federation of Accountants"  "Committee of European Securities"  The influence of the state on corporate governance</p>			
<p>IX.  DUTIES AND RESPONSIBILITIES OF INTERNAL AUDITORS  Internal audit functions  Trends and relevance of internal audit  Authority and responsibility of the internal audit  Outsourcing of internal audit  Relationship of the Audit Committee with the internal auditor  Institute of Internal Auditors  Determinants of an effective internal audit</p>	3	Zabiholla-8	Case: Toshiba Article: Internal Auditig (Nov-Dec 2015)
<p>X.  ROLES AND RESPONSIBILITIES OF AUDITORS  EXTERNAL  External audit and corporate governance  Responsibilities of the external auditor (including limited liability)  Competencies of the external auditor  Failures in audit and quality in the audit  "Public Company Accounting Oversight Board"  Supervision of external auditors by internal auditors  Audience independence  Consolidation and competition in public accounting firms  Integrated audit  Audit of defined benefits</p>	3	Zabiholla-9 Larcker, Tayan-10	Case: Xerox Case: FIFA
<p>XI.  DUTIES AND RESPONSIBILITIES OF INVESTORS AND OTHER PERSONS WITH INTEREST ("STAKEHOLDERS")  Shareholders  Institutional investors  Mutual funds  Hedge funds  Monitoring of employees  Legal advice  Financial advice  Investment banks</p>	3	Zabiholla-10, 11	Several cases/ articles

<p>XII. CORPORATE GOVERNANCE IN NON-PUBLIC CORPORATIONS (CLOSELY-HELD) AND NON-PROFIT ENTITIES</p> <p>Types of non-profit entities (NPOs) Purpose and roles of the "NPOs" Public trust in the "NPOs" Governance of the "NPOs" Supervision function of the "NPOs" Internal control of the "NPOs"</p>	3	Zabiholla-13	Several cases/ articles
<p>XIII. INTERNATIONAL ASPECTS OF CORPORATE GOVERNANCE</p> <p>Historical perspective of corporate governance Global perspective of corporate governance Convergence in corporate governance Corporate governance in multinational companies</p>	3	Zabiholla-14 Larcker, Tayan-2	Reports
<p>XIV. CONFLICTS AND RECENT DEVELOPMENTS IN CORPORATE GOVERNANCE</p> <p>Investor confidence and global financial markets Social, environmental and ethical performance Challenges faced by shareholders Challenges faced by directors Challenges of SOX compliance Challenges of financial reports Emerging audit issues</p>	3	Zabiholla-15	Several cases/ articles

TOTAL HOURS

Analysis, discussion of cases and tests	34
Oral presentations of students	8
Tests	<u>3</u>
	45

## INSTRUCTIONAL STRATEGIES

- Conferences
- Case discussion
- Individual practical exercises
- Application questions
- Group exercises

## LEARNING RESOURCES

- Conferences
- Newspapers and magazines
- Audiovisual resources
- Internet

## ASSESSMENT STRATEGIES

The evaluation of the student's work will be carried out using the following criteria:

- |   |            |
|---|------------|
| • Individual written exercises to be delivered or written analysis of individual or group cases | 60%        |
| • Tests   | 30%        |
| • Others (Participation in class, among others)   | <u>10%</u> |
|   | 100%       |

Note: Students with special needs will receive differentiated evaluations.

## ASSESSMENT STRATEGIES

The assessment will be made through:

- Rubrics (cases and exercises)
- Case analysis

## GRADING SYSTEM

100 - 90 = A

89 - 80 = B

79 - 70 = C

69 - 60 = D

59 - 00 = F