



Co-funded by the  
Erasmus+ Programme  
of the European Union



### Course Package “Corporate Governance”

<b>Work Package</b>	WP3: Development of Course Materials for the Reformed MA Programmes, Deliverable 3.1
<b>Author(s)</b>	Busmachiu Eugenia
<b>E-mail Address</b>	eu_busmachiu@ase.md
<b>Institution</b>	Academy of Economic Studies of Moldova



**Erasmus+ Capacity Building in Higher Education Project:**

**“Reforming Master Programmes in Finance in Armenia and Moldova” (REFINE)**

[www.reforming-finance.eu](http://www.reforming-finance.eu) | Project No. 585784-EPP-1-2017-1-AT-EPPKA2-CBHE-JP

### Document History

Version	Date	Author(s)	Description
1	02.12.2019	Busmachiu E.	Course Package “Corporate Governance”
2	02.06.2020	Busmachiu E.	Final Version

### Disclaimer:

*This project has been funded with support from the European Commission. This publication [communication] reflects the views only of the author, and the Commission cannot be held responsible for any use, which may be made of the information contained therein.*

## **Content**

1. General information about the course.....	4
2. Learning outcomes of the course.....	4
3. Syllabus of the course.....	5
4. Teaching methodology of the course.....	7
5. Labour market relevance of the course.....	8
6. Assessment and grading.....	8
7. References.....	9
8. Course assignments.....	10
8.1 Assignment 1.....	11
8.2 Assignment 2.....	12
Annex: Presentation slides.....	13

## 1. General information about the course

Explanation: Please fill in the table below.

<b>Title of the course (as specified in the reformed curriculum)</b>	Corporate Governance
<b>Name of the teacher</b>	Busmachiu Eugenia
<b>Novelty of the course (please select as appropriate)</b>	This course is a newly developed course (new in the curriculum)
<b>Year of the course in the curriculum</b>	2020-2021
<b>Semester of the course in the curriculum</b>	III
<b>Language of instruction of the course</b>	English/Romanian
<b>Number of ECTS credits</b>	5

## 2. Learning outcomes of the course

Explanation: Please specify the learning outcomes of the course.

- Understand the main concepts of the corporate governance
- Understand the different corporate governance theories, mechanisms and models;
- Evaluate the key features of financial institutions and corporations risk management
- Develop procedures and internal controls relevant to financial and non-financial institutions
- Understand and use various techniques regarding fundamental analysis of the corporate governance codes and the mode of their operation
- Demonstrate an ability to write and debate about aspects of business ethics and corporate governance in a manner that is analytical, logical and critical.

### 3. Syllabus of the course

Explanation: Please provide a detailed syllabus of the course (broken down in weeks) – maximum 2 pages

The education is organized in modules. This course runs as a daily intensive course for two weeks and consists of ten units, which will enrich your knowledge with an invaluable grounding in the subject and enable students to acquire a strong theoretical and practical understanding of the current and advanced corporate governance management practices.

#### **Week 1**

##### **Day 1**

###### *Unit 1. Corporate governance concept*

- The nature and purpose of corporate governance
- Corporate governance objectives and the relationship with corporate strategy
- Corporate governance in non-banking sector organizations

##### **Day 2**

###### *Unit 2. Models of corporate governance*

- Corporate governance systems
- Anglo American, German, Japanese and Indian models
- Corporate governance problems and solutions
- Firm Performance and Governance Index

##### **Day 3**

###### *Unit 3. External governance: laws and regulations*

- The nature and purpose of external governance
- Legal framework in the corporate governance area

##### **Day 4**

###### *Unit 4. Internal control system*

- Concept and evolution
- Elements of internal control
- Information and communication

##### **Day 5**

###### *Unit 5. Corporate governance: practical aspects*

- Committees of the management structure
- The influence of the Audit Committee
- The role of the Audit Committee in Corporate Governance
- The importance of the external auditor

*1<sup>st</sup> Assessment*

#### **Week 2**

##### **Day 6**

###### *Unit 6. Shareholders and Stakeholders*

- Stakeholder groups
- Guidance on shareholders' and stakeholders' interests
- Roles of shareholders and stakeholders

##### **Day 7**

###### *Unit 7. The Role of Institutional Investors in Corporate Governance*

- Influence of institutional investors
- Stewardship
- Development of guidance on institutional investors' responsibilities
- Private equity and funds

- Tools of corporate governance
- Corporate governance and corporate performance

### Day 8

#### Unit 8: Remuneration and evaluation

- The role of the remuneration committee in setting directors' remuneration.
- The different measures used to link directors' remuneration with performance.
- The disclosure requirements for directors' remuneration.
- Possible ways of evaluating directors.

### Day 9

#### Unit 9: Corporate governance in different areas

- Governance for the SME sector — practical aspects of regulatory compliance
- Governance for the leasing companies
- Governance for microfinance institutions
- Governance for insurance companies

### Day 10

#### Unit 10: Corporate Governance and the Financial Crisis

- Financial distress and bankruptcy prediction
- Corporate governance in banking and investor protection
- Corporate governance in the context of crisis

### Day 11

Presentations and discussion on the case studies and individual work. The final exam is going to be taken after the course according the schedule approved by the master school administration.

#### ADMINISTRATION OF THE DISCIPLINE

Code of discipline of the study plan	Title of the course	Responsible for discipline	Semester	Total hours					Assessment	Number of ECTS credits
				Total	inclusive					
					C	S	L	IW		
F.03.O.18.32	CG	Busmachiu E.	III	150	26	14	-	110	Ex.	5

#### TOPICS, TIMETABLE AND DISTRIBUTION OF HOURS

Nr	Content units	Number of hours	
		Lecture	Seminars
1.	Corporate governance concept	3	1
2.	Models of corporate governance	2	2
3.	External governance: laws and regulations	3	1
4.	Internal control system	3	1
5.	Corporate governance: practical aspects	3	1
6.	Shareholders and Stakeholders	3	1
7.	The Role of Institutional Investors in Corporate Governance	2	2
8.	Remuneration and evaluation	3	1

9.	<i>Corporate governance in different areas</i>	2	2
10.	<i>Corporate Governance and the Financial Crisis</i>		
<b>Total</b>		<b>26</b>	<b>14</b>

#### 4. Teaching methodology of the course

Explanation: Please explain the teaching methodology and pedagogical approaches of the course – maximum ½ page

##### *Lecture and discussion method*

Course involves utilisation of *student-centred learning approach*, including *Problem-based learning, discussion, seminars, essay/reports, lectures, debate, panels, brainstorming etc.*

The teacher delivers lessons according requirements of internal regulations of the university and national legislation based on the approved curricula. During the theoretical classes, the teacher presents an oral power point presentation based on information by topics according to the curricula, which includes principles, concepts, ideas and all theoretical knowledge about a given topic in corporate governance.

The theoretical lecture involves analyses of theoretical concepts and approaches, some discussions, question, and answer period to allow students to be involved actively and provides an opportunity to monitor students learning.

During the discussions, students demonstrate how far do they agree with a view and substantiate their answer with appropriate reasons.

The presentation contains illustrations such as charts, tables, examples, and statements. At the end of theoretical topics, presentations it is included a multiple choice small test quiz with answers.

##### *The study assignment method*

The teacher assigns students/group of students to read chapters from corporate governance books available in English Romanian and Russian languages in the university library, periodicals, financial statements, project or research papers or exercises for the practice and research report writing.

##### **Activity from teacher to students:**

- Students solve case studies, corporate issues simulations, answer questions, formulate questions of their own, discuss, explain, debate, or *brainstorm* during seminar classes.
- Students work in teams (4-6 people, organizing in team by themselves) on problems and projects under conditions that assure both positive interdependence and individual responsibility. All the reports are going to be tested on the plagiarism program. It is mandatory for each student to be involved in the writing of the report.

**Teaching resources:** textbooks, lecture notes, projector, computer, etc.

- All lectures are sent to students on the group's e-mail from the lecturer's e-mail eu\_busmachiu@ ase.md in the day before course started. Materials for student's individual work are sent to group student's mail.

- Each week professor has two hours for individual students' consultation. At the beginning of the course, students are informed about lecturer's office hours, which depend from the lecturer's schedule of lectures/seminars and are specified for each academic year.
- On Moodle platform students can find different manuals, course books, presentations etc.

## 5. Labour market relevance of the course

Explanation: Please explain the labour market relevance of the course (linked to findings of WP1) – maximum ½ page

The **purpose** of the *Corporate governance* course is to train specialists in the field of corporate governance with the necessary skills and competencies in order to build a solid foundation for the development of a successful career in accordance with the requirements of potential employers; the Faculty of Finance and School of Master Studies of AESM, organize meetings with potential employers regularly.

Having studied the course of *Corporate Governance* master students are demanded by the labour market of the Republic of Moldova such as: companies; insurance companies; commercial banks; national and international projects; Ministry of Finance; non-banking financial institutions; insurance companies etc., as specialists in: consulting and management assistance; training and management of financial funds; developing and implementing business plans for commercial banks and companies; internal audit, as well as financial experts and external auditors, financial analysts, managers in economic and financial units, teaching staff in education, etc.

## 6. Assessment and grading

Explanation: Please explain the form of assessment of the course – maximum ½ page

<b>Current performance</b>	The current evaluation includes the assessment of case studies and reports, students' work on seminars, demonstrated knowledge of the topic's content.	
<b>Final assessment</b>	The final assessment is carried out in written form and consists of different types of subjects: multiple choice tests, open questions, integration questions and problem-solving task.	
<b>General mark/grade (share part expressed in %)</b>	Current performance (formative assessment)	<b>60%</b>

General mark is determined as a weighted average as follows:

- ✓ Current evaluation including result of participating in the seminars lessons and evaluation of the team work (reports, case studies) –60%;
  - case assessment-20%
  - written/oral test-10%
  - research report-30%

The type of assessment and weight of each component (in 60%) is up to teacher. It can be modified.

- The final exam paper evaluation– 40%.



The way of organizing the exam (oral or written is approved annually by teacher in coordination with the Finance and Insurance Department.

**Table 5.1: Final grade calculation**

Current evaluation	Final evaluation	Grades	ECTS
1	2	3	4
0.6	0.4	$3 = (\text{Mark}_1 \times 0.6) + (\text{Mark}_2 \times 0.4)$	<b>A</b> -(9.01-10) <b>B</b> -(8.01-9) <b>C</b> -(7.01-8) <b>D</b> -(6.01-7) <b>E</b> -(5.0-6) <b>F</b> -(3.01;4.99) <b>F</b> -(1.0;3.0)

The current *assignment* pass a 60% towards the final mark for the module Corporate Governance and the written or oral final exam carries a 40% weight.

**The current assessment** procedures will be done by the teacher: appreciation result of participating in the seminars (presentations, writing report, case study and individual work) – 60%.

**The final exam assessment form** includes a template from three parts and is approved by the chief of the department:

- a) *level of knowledge;*
- b) *at the application, level*
- c) *at the level of integration.*

All III parts of the final exam paper/test cover corporate governance topics in accordance with learning outcomes and curricula and the weigh is - *40% from total evaluation mark.*

The final exam test includes multiple choices questions, true –false quiz, essay question and open questions. The form includes grading for each item. (*Knowledge, application, integration/ or easy, moderate and challenging*).

The time allocated for writing exam is -*3 hours.*

Total final evaluation (Grades) – *is the sum of current evaluation grade and written exam grade. - 100%.*

The "Corporate government" course is supposed to be assessed by the students of each semester after examination session (on approved evaluation form template, which contains list of questions).

## 7. References

Explanation: Please provide the main references and recommended reading for the course – maximum 1 page

### **Legal framework:**

1. Law on Joint Stock companies no. 1134-XIII from 02.04.97, Monitorul Oficial al R. Moldova nr.1-4/1 din 01.01.2008.
2. Government Decision Nr. 67/10 din 24.12.2015 concerning Corporate Governance Code, Republic of Moldova.
3. Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and the Investment Firms Regulation (Regulation 2019/2033).
4. Capital Requirements Directive (Directive 2013/36/EU as amended by Directive 2019/878/EU) and the Capital Requirements Regulation (Regulation No 575/2013 as amended by Regulation No 2019/876).
5. Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.
6. A Guide to Corporate Governance Practices in the European Union.  
([https://www.ifc.org/wps/wcm/connect/506d49a2-3763-4fe4-a783-5d58e37b8906/CG\\_Practices\\_in\\_EU\\_Guide.pdf?MOD=AJPERES&CVID=kNmXTtG](https://www.ifc.org/wps/wcm/connect/506d49a2-3763-4fe4-a783-5d58e37b8906/CG_Practices_in_EU_Guide.pdf?MOD=AJPERES&CVID=kNmXTtG))

### **Bibliography** (engl.):

1. Coyle, B (2003) Corporate Governance – 1<sup>st</sup> Edition ICSA Publishing Limited – London
2. King, Mervyn (2006) The Corporate Citizen Governance for all entities - Penguin Books – Johannesburg
3. King, Mervyn and Lessidrenska, T (2009) Transient Caretakers Making Life on Earth Sustainable
4. Collier, J R (2000) Corporate Governance - Macgraw-Hill, New York
5. G20/OECD Principles of Corporate Governance, ISBN: 978-92-64-23687-5
6. OECD Corporate Governance, Fact book 2019,
7. <https://www.athensjournals.gr/law/2016-2-1-4-Ribas-Ferrer.pdf>
8. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/628044/SLM-3.05.02\\_Corporate\\_Governance\\_Manual.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/628044/SLM-3.05.02_Corporate_Governance_Manual.pdf)
9. [https://nbif.ca/uploads/NBIF\\_Corporate\\_Governance\\_Manual.pdf](https://nbif.ca/uploads/NBIF_Corporate_Governance_Manual.pdf)
10. [https://www.tasekomines.com/assets/docs/pdf/2016-02-29-tko\\_corporate\\_governance\\_manual\\_revised\\_work.pdf](https://www.tasekomines.com/assets/docs/pdf/2016-02-29-tko_corporate_governance_manual_revised_work.pdf)
11. [https://www.phoenixmanagement.net/wp-content/uploads/2018/02/2013\\_02\\_15-MFSA-Corporate-Governance-Manual.pdf](https://www.phoenixmanagement.net/wp-content/uploads/2018/02/2013_02_15-MFSA-Corporate-Governance-Manual.pdf)
12. [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+cg/resources/toolkits+and+manuals/media\\_guide](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+cg/resources/toolkits+and+manuals/media_guide)
13. <https://hbr.org/2019/10/a-guide-to-the-big-ideas-and-debates-in-corporate-governance>
14. <https://www.bnm.md/en/content/banking-regulation-and-supervision>

## 8. Course assignments

Explanation: Please provide two assignments for the course (e.g. group work, project, essay, case study, homework).

### 8.1 Assignment 1

The *assignment* carry a 40% towards the final mark for the module Corporate Governance. The master students will produce a research paper (report) (max 5 pages without including title page, table of contents, and appendixes) that will be presented and structured according to the requirements.

The written assignment are due on the assigned date. If students are unable to meet this deadline, they contact the teacher to make an alternate arrangement. This needs to be done prior to the established date.

Late assignments may be accepted only with prior approval from the Master School Directorate. Assignments may be adjusted at the professor's discretion. The written report must be: typed, be fully referenced, and be clearly and concisely written and checked by the plagiarism program.

The report can be done by the student or by the group of students. If the group of students does the report, the teacher will assess the involvement of each of them.

#### The topics of the study (some examples):

1. Principles of the Corporate Governance in the banking system
2. Shareholders and Stakeholders conflict management
3. Basel principles and corporate governance
4. Corporate Governance and Ethics
5. Corporate governance models
6. Financial performances of commercial banks in the context of corporate governance.

**Table 7.1.1**

**The structure of the paper**

<b>Title page</b>	Institutions, department, report title, name of the student and submission date.
<b>Executive summary</b>	Overview of subject matter, methods of analysis, findings recommendations
<b>Table of contents</b>	List of numbered sections in report
<b>Introduction</b>	Terms of reference outline of report's structure
<b>Body</b>	The contents of each section
<b>Conclusion and recommendations</b>	Findings of the report and recommendations
<b>Bibliography</b>	List of reference material consulted during research for the report
<b>Appendix</b>	Information that supports student s analysis (company data, market data, audit reports, cods of corporate governance, financial statements, annual reports, statistical data.

**Table 7.1.2.**

**Assessment of the report**

	<b>Excellent (Marks)</b>	<b>Good (Marks)</b>	<b>Fair (Marks)</b>	<b>Unsatisfactory (Marks)</b>
<b>Research topic and objectives</b>	9-10	7-8	5-6	<5
<b>Methodology</b> (Is the research methodology well defined and adequately described)	9-10	7-8	5-6	<5
<b>Quality of data or findings</b> (Are the results and discussion validate the conclusions, recommendations or proposed solutions?)	9-10	7-8	5-6	<5
<b>Significance and limitations</b>	9-10	7-8	5-6	<5
<b>Are the student able to answer the questions effectively and with confidence?</b>	9-10	7-8	5-6	<5

## 8.2 Assignment 2

### Research on Moldovan Legislation in the area of corporate governance

Tasks description:

1. Overview the legislation framework in the area of corporate governance in the Republic of Moldova and EU practices
2. Elaborate the comparative analysis of the corporate governance codes of top 3 commercial banks in Moldova (Victoriabank JSC, Moldova Agroindbank JSC, and Moldincombank JSC).
3. Present the results in the ppp presentation max 10 slides.

**Annex: Presentation slides**

Explanation: Please provide presentation slides for your course (this can be done in a separate document, e.g. Power Point (Minimum: 25 slides))