

Brief course description:

This course will focus on basic concepts in corporate law and financial management in connection with every legal entity, from corporations to NGOs. The student will be introduced to the various legal forms as well as to the methods of assets valuation and capital structure. A critical presentation of the key legal and financial tools and recipes will be made.

Source:

- Reinier, Kraakman & al, *The Anatomy of Corporate Law: A Comparative and Functional Approach*, 2nd Edition (Oxford University Press 2009)
- Stephen A. Ross Randolph W. Westerfield Bradford D. Jordan Gordon S. Roberts *Fundamentals of Corporate Finance*, 7th Edition (McGraw-Hill, 2010)

Course goals:

Corporate law and corporate finance are intertwined. The purpose of this multi-disciplinary course is multifold:

- present the underlying logic and the basic tools and concepts of each of these fields;
- provide insights into the intricacies of their zones of overlapping;
- connect these fields to the not-for profit sector;
- address their limitations in a context of globalization.

The emphasis will be put on key legal and financial issues. The approach will be primarily a practical one, based on real cases.

Course topics:

1 – Basics of corporate law

- The concept of legal person: taxonomy and implications
- Ownership of enterprises and efficiency considerations

2 - Time and profitability: cash flow needs and anticipation

- Reminder: some static indicators (VA, EBITDA...)
- The traditional investment valuation methods (ROI, NPV, IRR...) and their limitations

3 & 4 - Main corporate law issues: money games and power games

- Disconnecting power from money
- LBOs, IPOs...
- Project financing and other complex schemes

5 - The big picture

- Notion of territoriality
- International business contracts and disputes: the financial angle

6 & 7 – Law and finance of globalization

- Multinational companies and states: friends or foes?
- Notion of transnational liability
- Towards a global CSR? A look at the norms of the future

Detailed Bibliography:

Required reading: the handout must be read in full.

Additional reading: those who want to go deeper in this field may look at:

- **on comparative law:**

- R. David & J.E.C. Brierley : "*Major Legal Systems in the World Today: an introduction to the comparative study of law*" (Free Press) ;
- Peter A. Gourevitch and James Shinn Political Power and Corporate Control: *The New Global Politics of Corporate Governance Princeton*, Princeton University Press, 2005
- And of course, the very controversial ranking of domestic legal systems by the World Bank, the so-called « *Doing Business* » available at: <http://www.doingbusiness.org>;

- **for law and economics fans:**

- The *Encyclopedia of Law and Economics* by Bouckaert, Boudewijn and De Geest, Gerrit (eds.) illustrates this peculiar analytical angle about virtually any legal subject, notably corporate law: (<http://encyclo.findlaw.com/tablebib.html>)
- Henry Hansmann: Ownership of the firm (1988), available at: [http://www.edegan.com/pdfs/Hansmann%20\(1988\)%20-%20Ownership%20of%20the%20Firm.pdf](http://www.edegan.com/pdfs/Hansmann%20(1988)%20-%20Ownership%20of%20the%20Firm.pdf)

- **For those interested in the deeper meaning(s) :**

- Grant Gilmore, "*The death of contract*", a brilliant essay about the fictitious nature of US contract law (Ohio State University Press);
- Alan Watson, "*Legal Transplants: An approach to Comparative Law*", (Athens, GA), another (small) brilliant essay in comparative law;
- Hernando de Sotro, "*The Mystery of Capital*", about the link between the quality of ownership titles and economic development (Basic Books, 2000).
- Anti-MNCs and green activists will find what they are looking for on the website of the NGO *Earthrights*, notably about ongoing transnational lawsuits (<http://www.earthrights.org>) ;

Grading:

- Short paper (comment of an article, connecting it to the course).

Professor's Bio:

Karim Medjad is the holder of the chair "international development of the enterprises" at the Conservatoire National des Arts et Métiers.

He has published articles in major French and American law journals, and contributed chapters to various law and management books.

Prof. Medjad began his career in international law firms and he continues to practice as an international lawyer and as a legal expert for the main international institutions in various emerging countries.

He holds a LL.M degree from Harvard Law School, a Ph.D in Economics from the University of Paris 1 (Pantheon-Sorbonne), and is a former fellow of the Institute of Defense and Strategic Studies.