

BA 4834 – Financial Issues on Corporate Governance  
Course Schedule (Days, Times)

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<b>Office Hours:</b>	Days, Times, or by appointment
<b>Course Web Page:</b>	Link to ODTU Class Course Page
<b>Course Description:</b>	
<p>In this course, first, the definition and best practices of corporate governance (CG) and its contribution to the sustainability of the companies will be taught and thus the importance of good governance will be understood. Then, the developments in the regulations and codes at the global level will be explained; regulation versus market enforcement will be discussed. Afterwards, the role of institutional investors as shareholders and impact on the governance structure of the companies will be delivered. Eminent corporate governance scandals like Enron and Parmalat will be examined. The students then will be asked to analyze the global listed companies from CG perspective and deliver the CG scandal they were involved in. After explaining theories on CG, such as agency versus stewardship theory, cases from daily business life will be shared to enable the students to conceptualize what they have learned.</p>	
<b>Course Student Learning Objectives: (CSLOs)</b>	
<p><i>Upon successful completion of this course, students should be able to:</i></p> <p><b>Course Specific Skills:</b></p> <ol style="list-style-type: none"> <li>1. Learn what corporate governance is and understand the difference between management and corporate governance</li> <li>2. Learn the importance and the practices of board meetings</li> <li>3. Learn the rights of shareholders, the role and the importance of institutional investors,</li> <li>4. Learn the responsibilities of institutional investors (hedge funds,private equity investors sovereign funds etc), and their governance challenges</li> <li>5. Discuss the role of stakeholders</li> <li>6. Learn and discuss the relevance of corporate governance with internal control and risk management</li> <li>7. Learn fund governance from organizational perspective</li> <li>8. Discuss the impact of corporate governance on financial markets</li> <li>9. Learn the role of Board in setting the CSR Policy of the company; and understand the developments on sustainability at the global level</li> </ol> <p><b>Discipline Specific Skills:</b></p> <ol style="list-style-type: none"> <li>10. Differentiate, analyze and discuss the great diversification in corporate governance from legal perspective at the global level and learn the importance of market enforcement in turn,</li> <li>11. Demonstrate broad knowledge of literature on the importance of corporate governance in all types of companies, listed, unlisted, widely-held, SMEs, family owned,</li> <li>12. Analyze the impact of good corporate governance on financial performance,</li> </ol> <p><b>Personal and Key Skills:</b></p> <ol style="list-style-type: none"> <li>13. Can gain knowledge necessary to take corporate governance rating license examinations given by the Capital Market Boards of Turkey and other organizations,</li> <li>14. Can develop expertise necessary for the investment relations department of the companies,</li> <li>15. Can enhance understanding and analytical ability in good governance practices required for the sustainability of the companies,</li> </ol>	
<b>Learning and Teaching Methods:</b>	

Sessions consist of a mixture of formal lectures, in-class discussions, group work, presentation sessions, if possible company visits.

**Required Reading:**

Materials that will be forwarded during the course.

You can have access to the required readings and their list from metu class

**Suggested Reading:**

Videos on CG practices that will be shared during the course (to be listened); & additional researches and relevant documents on CG practices at the global level

Assessment and Grading:				
Form of Assessment	% Contribution	Size of the assessment	CSLOs covered by the assessment	Feedback Method
2 Projects	%30	3500 words each (approx.)	1-9	Oral (in class/digital platform)/written paper delivery
Class Participation & homework	%15	1000 words max	1-3, 10-12	Oral (in class/digital platform) & written
Midterm Exam	25%	Multiple choice & written essay 500 words max	1-6	Written feedback
Final Exam	30%	Multiple choice & written essay 500 words max.	1-15	Written feedback

### Course Policies:

**STUDENT DISABILITIES:** Any student, who, because of a disabling condition, may require special arrangements in order to meet course requirements, should contact the instructor as soon as possible. Students should present the appropriate documentation from the university's Disability Support Office (Engelsiz ODTÜ Birimi, ODTÜ Kütüphanesi, Solmaz İzdemir Salonu, Tel: 210.7196; engelsiz@metu.edu.tr) verifying their disability, and outlining the special arrangements required. Please note that no accommodations will be provided to the disabled students prior to the completion of this approved University process.

**ACADEMIC DISHONESTY:** The Department of Business Administration has no tolerance for acts of academic dishonesty. Such acts damage the reputation of METU, the department and the BA/MBA/MS degree and demean the honest efforts of the majority of the students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

**CHEATING:** All university, faculty/institute, and department principles on academic honesty will be strictly enforced. The usual consequence for academic dishonesty is failure of the course and referral of the case to the Dean of the Faculty/Institute for additional disciplinary action. Examinations are individual and are to be completed without outside assistance of any sort. Persons observed cheating during examinations will receive a failing grade in the course. Homework assignments are individual, unless otherwise specified by the instructor and are to be completed without outside assistance of any sort, as well. Persons observed cheating in their homework assignments will receive a score of zero for the portion of the semester grade that is allocated to such assignments.

**PLAGIARISM:** The instructor assumes that students will do their own work. By placing their names on assignments (individual or team), students are affirming that the contents are their original work. Any previous work available from files or past students, as well as materials available on the internet may be used only as a suggestive model. Violation of this provision will be considered as unethical behavior, subject to disciplinary action. If you have any doubt about the use of a specific material, see the instructor ahead of time. Any material used from outside sources should be referenced appropriately.

#### METU HONOR CODE

Every member of METU community adopts the following honor code as one of the core principles of academic life and strives to develop an academic environment where continuous adherence to this code is promoted.

"The members of the METU community are reliable, responsible and honorable people who embrace only the success and recognition they deserve, and act with integrity in their use, evaluation and presentation of facts, data and documents."

**CIVILITY IN THE CLASSROOM:** Students are expected to assist in maintaining a classroom environment which is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in

class, unless otherwise approved by the instructor, students are prohibited from using laptop computers and cellular phones, making offensive remarks, reading newspapers, sleeping, or engaging in any other form of distraction. Inappropriate behavior in classroom shall result, minimally, in a request to leave class.

Past observations showed that the METU classroom experience is improved when the following are true: **Students arrive on time.** Timely arrival ensures that classes are able to start and finish at the scheduled times. Timely arrival shows respect for both fellow students and faculty and it helps to create a better learning environment by reducing avoidable distractions.

**Students are fully prepared for each class.** Much of the learning in this course takes place during classroom discussions. When students are not prepared, they cannot contribute to the learning process. This affects not only the individual but also the classmates who count on them.

Students respect the views and opinions of their colleagues. Disagreement and debate are encouraged; however, intolerance for the views of others is unacceptable.

Laptops, phones and wireless devices are turned off.

**STUDENT EXCUSES:** In case you cannot attend one of the examinations, if and only if you can present an official (dean's or president's office approved) **excuse or METU Medical Center certified Health Report**, you will be eligible to take a make-up examination. There will be one single, comprehensive and essay type make-up examination during the final period and it will be counted towards whichever exam(s) you are missing.

KNOW YOUR RIGHTS AND RESPONSIBILITIES! <http://oidb.metu.edu.tr/en/academic-rules-and-regulations>

NOTE THE IMPORTANT DATES ON THE ACADEMIC CALENDAR!

<http://oidb.metu.edu.tr/en/academiccalendar>

The instructor assumes that students who attend the next class have understood and accepted to agree with all the requirements and rules of this course.

Notes:

- Usage of cell phones is strictly prohibited during class. Please be courteous to your classmates and me and make sure that your phones are on silent mode before the class begins.
- Please arrive on time and do not enter the classroom if I already have closed the classroom doors. If you have to leave early, please inform me in advance.
- Please turn in the homework assignments on time and note that no late assignments (no matter how late) will be accepted.
- You can reach me via e-mail. For quick questions that you may have, note that e-mailing is a very effective means of communicating with me

The following table gives the tentative schedule for the semester. The lectures will stress the most important and/or most difficult material. Appendices are required only if they are assigned. The students are required to read the chapters and appendices before they are covered in class.

Tentative Course Schedule				
Month	Day	Topic	Reading/ Assignment	CSLO
October	2	Introduction; discussion on Corporate Governance versus management; Developments in Corporate Governance at the global level, EU, SEC, OECD principles, World Bank, IFC etc. Legal Enforcement versus market enforcement, CG theories- Agency theory, Stewardship theory	Corporate Governance Worldwide, A Guide to Best Practices for Managers (Manisalı 2004); A Guide to Corporate Governance Practices in the European Union (IFC 2015); A Survey on CG (Shleifer & Vishny, 1996)	1, 3-5
October	9	Importance of board and board practices, and different board structures around the world-boards that go global; board committees, remuneration policies, responsibilities of board members	Higgs Report (2006); CG Principles (OECD 2015); CG principles OECD 2015	2
October	16	Rights of shareholders, the role and the importance of institutional investors, (hedge funds, private equity investors sovereign funds etc), and their governance challenges Role of stakeholders	The Role of Institutional Investors in Promoting Good Corporate Governance (OECD 2011) EU Action Plan 2012	3-5, 7-8
October	23	Case study project 1- A global company-presentations		1-11
October/November	30/6	Case study project 1- A global company -presentations		1-11
November	6	Corporate governance as a clear set of investment criteria; ADR's; Fund governance from organizational perspective	The Corporate Governance Lessons from the Financial Crisis (Kirkpatrick, 2009); Kurumsal Yönetim Uygulamalarında Yakınsamaya Hukuksal Düzenlemeler ve Piyasa Dinamiklerinin Etkisi (Manisalı 2009)	4, 7-8, 11
November	13	Corporate Governance Risk Management and Internal Control	COSO Internal Control Principles; COSO ERM 2017	6
<u>November</u>	20	Corporate Governance principles updated by the Capital Markets Board in 2012, CG ratings, CG index and the CG implications in the new Commercial Code issued in 2012	Kurumsal Yönetim İlkelerinin Belirlenmesine Ve Uygulanmasına İlişkin Tebliğ (Seri: İv, No: 56)'De Değişiklik Yapılmasına Dair Tebliğ (Seri: İv, No: 57) (2012)	1-9, 12

November	27	Corporate Governance principles updated by the Capital Markets Board in 2012, CG ratings, CG index and the CG implications in the new Commercial Code issued in 2012	SPK Tebliğ (Seri: Iv, No: 57) (2012), SPK EBRD Kurumsal Yönetim İzleme raporu (2019)	1-9, 12
December	4	Corporate Governance & CSR; developments on sustainability		9
December	11	Corporate Governance in Family-Owned Companies-perpetuating family business	Perpetuating the Family Business (Ward, 2004)	11
December	18	Case Study Project 2- A Turkish listed company-presentations		13
December	25	Case Study Project 2- A Turkish listed company-presentations		13