**Corporate Governance**

**Area:** Finance  
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**Description**

This course is devoted to the study of governance mechanisms and their impact on the real activities of corporations. The emphasis is on the interdisciplinary legal and financial aspects of corporate governance. We will discuss the separation of ownership and control, shareholder activism, the contribution and compensation of executives, the market for corporate control, the role of gatekeepers as rating agencies and accountants. The focus will be primarily on for-profit, publicly traded corporations.

After the Global Financial Crisis, many current theories in financial economics have been questioned. The celebrated Anglo-Saxon model of widely held corporations with sophisticated mechanisms of checks and balances, based on shareholder value maximization has failed to protect us from the worst financial meltdown since the 30's. The course will enable students to think critically about central issues such as the governance of financial institutions.

**Teaching and learning activities**

There are 5 three-hour sessions. Lectures are aimed at developing the concepts and methodologies that make up the different items of the course list. Case studies will be discussed within this strong conceptual framework.

There is not a unique textbook to support the course. The course sessions are based on readings that will be posted on line in advance. A set of slides for each session will set out the material more specifically.

**Evaluation**

To pass, you should get at least 50 points out of 100, according to the following distribution:
- Final exam: 60 points
- Presentation/class participation: 40 points.

**Sessions plan**

1. Shareholders’ governance and investor activism  
2. The roles of CEO and executive compensation  
3. Corporate governance of banks and the financial crisis  
4. The market for corporate control  
5. Gatekeepers