



ACCA

# Corporate and Business Law (LW-RUS)

Syllabus and study guide

December 2020 to June 2021

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session

Think Ahead

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## 1. Intellectual levels

The syllabus is designed to progressively broaden and deepen the knowledge, skills and professional values demonstrated by the student on their way through the qualification.

The specific capabilities within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

|          |                             |
|----------|-----------------------------|
| Level 1: | Knowledge and comprehension |
| Level 2: | Application and analysis    |
| Level 3: | Synthesis and evaluation    |

Very broadly, these intellectual levels relate to the three cognitive levels at which the Applied Knowledge, the Applied Skills and the Strategic Professional exams are assessed.

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant line. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

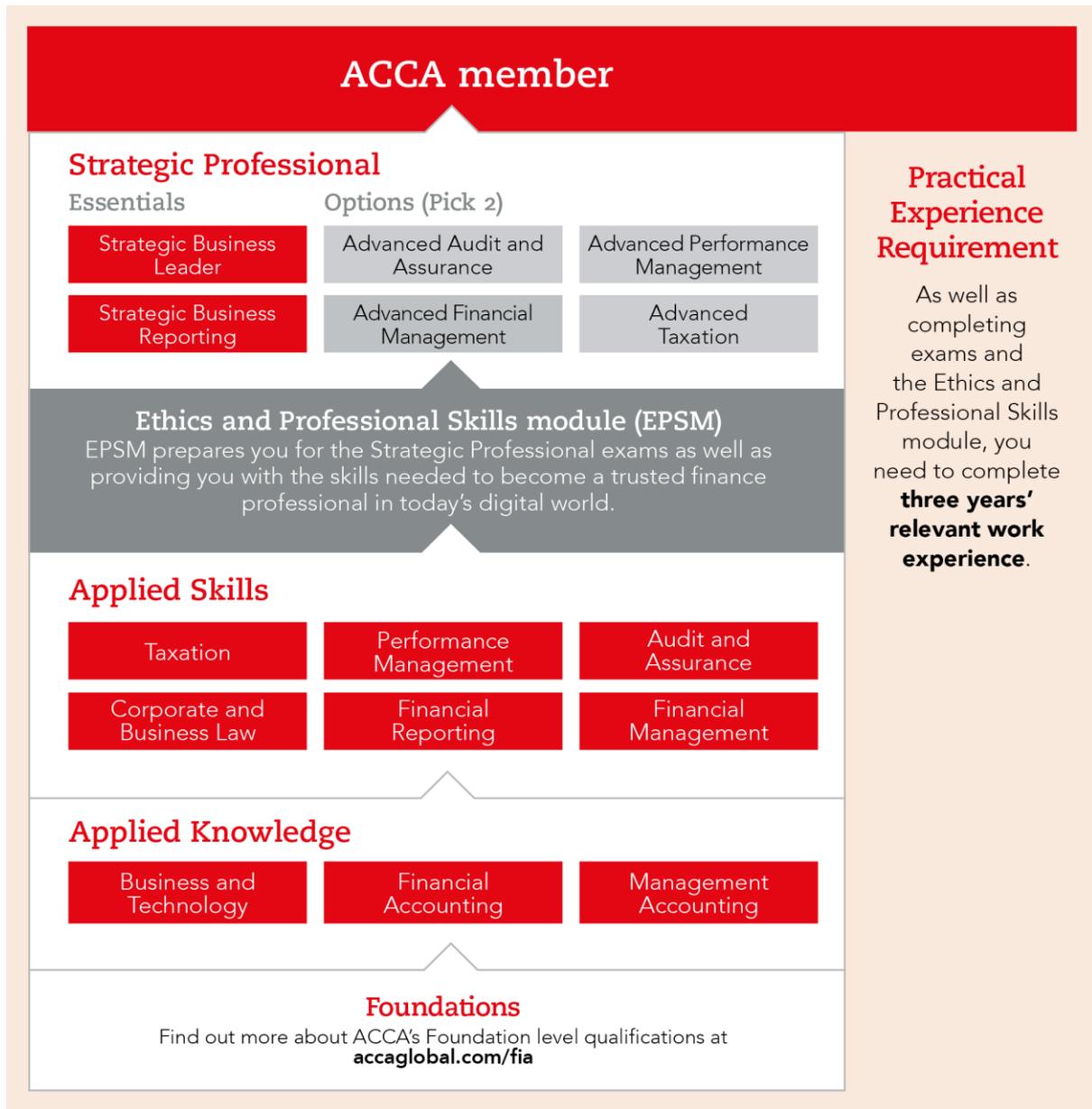
## 2. Learning Hours and Education Recognition

The ACCA qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA students find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the education frameworks in several countries. Please refer to your national education framework regulator for further information.

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

### 3. The structure of ACCA qualification



\*See [accaglobal.com](https://accaglobal.com) for details

## 4. Guide to ACCA Examination Structure

The structure and delivery mode of examinations varies.

### Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

### Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global. For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' in section 9 of the relevant syllabus and study guide. For the format and structure of the variant exams, refer to the 'Approach to examining the syllabus' section below.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

### Strategic Professional

Strategic Business Leader is ACCA's case study examination at Strategic Professional

and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

The other Strategic Professional exams are all of three hours and 15 minutes duration. All contain two sections and all questions are compulsory. These exams all contain four professional marks.

From March 2020, Strategic Professional exams will become available by computer based examination. More detail regarding what is available in your market will be on the ACCA global website.

With Applied Knowledge and Applied Skills exams now assessed by computer based exam, ACCA is committed to continuing on its journey to assess all exams within the ACCA Qualification using this delivery mode.

The question types used at Strategic Professional again require students to effectively mimic what they would do in the workplace and, with the move to CBE, these exams again offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools – spread sheets, word processing and presentations - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

The pass mark for all ACCA Qualification examinations is 50%.

## 5. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For examinations, regulation **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the **effective** date is in the future.

The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to an entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

## 6. Relational diagram linking Corporate and Business Law (LW-RUS) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



## 7. Approach to examining the syllabus

The syllabus is assessed by a two-hour computer-based examination.

The examination consists of:

### Section A

- 25 x 2 mark objective test questions 50%
- 20 x 1 mark objective test questions 20%

### Section B

- 5 x 6 mark multi-task question 30%
- 100%**

All questions are compulsory.

### Note on case law and legislation

Candidates should support their answers with analysis referring to cases or examples. There is no need to detail the facts of any cases, since it is the point of law established that is important. Knowing the facts can sometimes be helpful, as sometimes questions may

include scenarios based on well-known cases. Further, it is not necessary to quote section numbers of legislation.

## **8. Introduction to the syllabus**

The aim of the syllabus is to develop knowledge and skills in the understanding of the general legal framework, and of specific legal areas relating to business, recognising the need to seek further specialist legal advice where necessary.

Corporate and Business Law (LW-RUS) is divided into eight areas. The syllabus starts with an introduction to the overall legal system of the Russian Federation such as the sources of law and the court system. It then leads into the area of the law of obligations including contract and tort, which underpin entrepreneurial activity and business transactions generally.

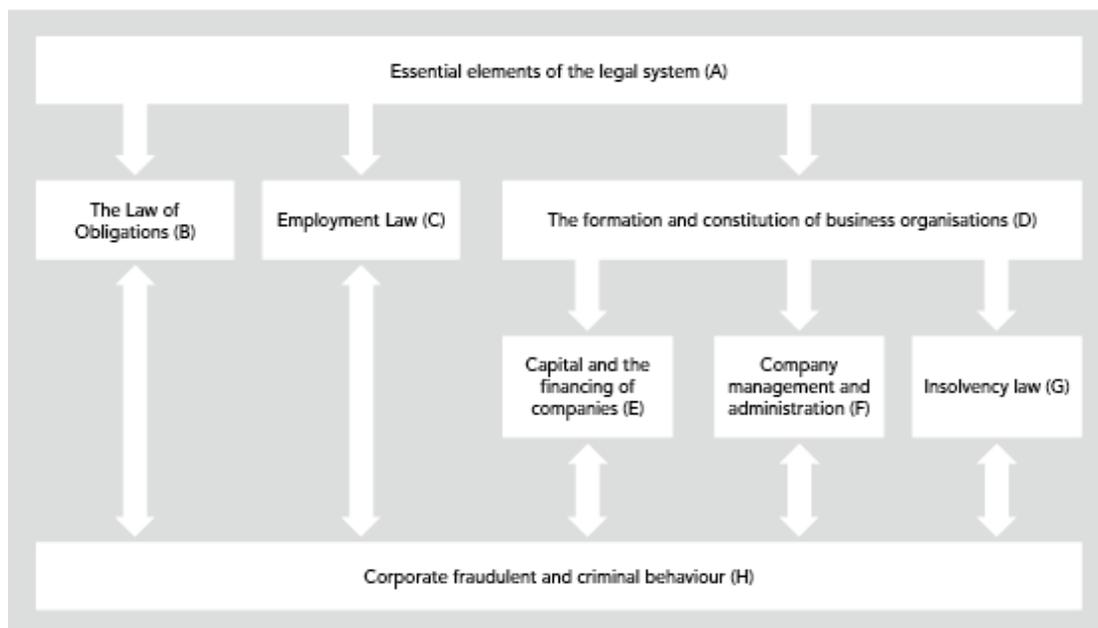
The syllabus then covers a range of specific legal areas relating to various aspects of business of most concern to financial professionals. These are the law relating to employment and the law relating to companies. These laws include the formation and constitution of companies, the financing of companies and types of capital, and the day-to-day management, the administration and regulation of companies and legal aspects of insolvency.

The final section links back to all the previous areas. This section deals with corporate fraudulent and criminal behaviour.

## 9. Main capabilities

On successful completion of this exam, candidates should be able to:

- A Identify the essential elements of the legal system including the main sources of law
- B Recognise and apply the appropriate legal rules relating to the law of obligations
- C Explain and apply the law relating to employment relationships
- D Distinguish between the alternative forms and constitutions of business organisations
- E Recognise and compare types of capital and the financing of companies
- F Describe and explain how companies are managed, administered and regulated
- G Recognise the legal implications relating to insolvency law
- H Demonstrate an understanding of corporate fraudulent and criminal behaviour



This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

## 10. The syllabus

### **A Essential elements of the legal system**

1. Sources of law
2. Court structure
3. Constitutional rights

### **B The law of obligations**

1. Formation of contract
2. Content of contracts
3. Securing obligations
4. Breach of contract and consequences
5. Non-contractual obligations

### **C Employment law**

1. Labour agreements
2. Dismissal and redundancy

### **D The formation and constitution of business organisations**

1. Partnerships
2. Companies and legal personality
3. The formation and constitution of a company
4. Voluntary representation

### **E Capital and the financing of companies**

1. Share capital
2. Loan capital
3. Capital maintenance and dividend law

### **F Management, administration and regulation of companies**

1. Company directors

2. Other management bodies

3. Company meetings and decision taking

### **G Insolvency law**

1. Insolvency

### **H Corporate fraudulent and criminal behaviour**

1. Fraudulent and criminal behaviour

## 11. Detailed Study Guide

### A Essential elements of the legal system

#### 1. Sources of law

- a) Define law and distinguish types of law.<sup>[1]</sup>
- b) Explain the purpose and significance of the Constitution.<sup>[1]</sup>
- c) Explain legislation and the different forms it may take.<sup>[2]</sup>

#### 2. Court structure

- a) Explain the structure of the courts.<sup>[1]</sup>
- b) Explain the roles of the courts of general jurisdiction and the courts of arbitration.<sup>[1]</sup>
- c) Explain the role of judges.<sup>[1]</sup>

#### 3. Constitutional rights

- a) Explain the rights and legal capacity of citizens and legal entities.<sup>[2]</sup>
- b) Explain the meanings of passive capacity and active capacity.<sup>[1]</sup>

### B The law of obligations

#### 1. Formation of contract

- a) Define the nature of a contract.<sup>[1]</sup>
- b) Explain the meaning of an offer, and other types of representation.<sup>[2]</sup>
- c) Explain the termination of an offer.<sup>[2]</sup>
- d) Explain the meaning and consequence of acceptance.<sup>[2]</sup>

#### 2. Content of contracts

- a) Explain the essential elements of a contract.<sup>[2]</sup>

- b) Distinguish between simple contracts and contracts executed in notarial form.<sup>[1]</sup>

#### 3. Securing obligations

- a) Explain methods of securing obligations as set out in the Civil Code.<sup>[2]</sup>

#### 4. Breach of contract and consequences

- a) Explain the meaning of breach of contract.<sup>[2]</sup>
- b) Explain the consequences of a breach of contract.<sup>[2]</sup>

#### 5. Non-contractual obligations

- a) Define tort.<sup>[1]</sup>
- b) Explain how obligations in tort arise.<sup>[2]</sup>
- c) Explain the tests applied by the courts to establish whether a non-contractual obligation has arisen.<sup>[2]</sup>
- d) Discuss the consequences of damage or loss in relation to non-contractual obligations.<sup>[2]</sup>

### C Employment law

#### 1. Labour agreements

- a) Explain the legal differences between the employed and those who work under civil contracts.<sup>[2]</sup>
- b) Explain the nature of a labour agreement and the main duties of the parties to a labour agreement.<sup>[2]</sup>

#### 2. Dismissal and redundancy

- a) Explain the grounds and conditions for dismissal.<sup>[1]</sup>
- b) Explain the meaning of redundancy.<sup>[1]</sup>
- c) Discuss the rights and obligations of employers and employees when an employee is dismissed.<sup>[2]</sup>

## **D Formation and constitution of business organisations**

### **1. Partnerships**

- a) Demonstrate a knowledge of the legislation governing simple partnerships and commandite partnerships.<sup>[1]</sup>
- b) Explain the formation of a partnership.<sup>[1]</sup>
- c) Explain the authority of partners in relation to partnership activity.<sup>[2]</sup>
- d) Analyse the liability of partners for partnership debts.<sup>[2]</sup>
- e) Explain the termination of a partnership and partners' subsequent rights and liabilities.<sup>[2]</sup>

### **2. Companies and legal personality**

- a) Explain the legal differences between individual entrepreneurs, partnerships and companies.<sup>[1]</sup>
- b) Explain the meaning and effect of limited liability.<sup>[2]</sup>
- c) Analyse the characteristics of, and differences between public companies and non-public companies.<sup>[2]</sup>
- d) Illustrate the effects of separate personality.<sup>[2]</sup>
- e) Recognise instances in which separate personality will be ignored.<sup>[2]</sup>

### **3. The formation and constitution of a company**

- a) Explain the procedure for registering different types of limited company.<sup>[1]</sup>
- b) Explain the statutory capital requirements for establishing different types of company.<sup>[1]</sup>
- c) Explain the content and effect of the Charter.<sup>[2]</sup>

- d) Explain the purposes of the inner documents of a company.<sup>[2]</sup>

### **4. Voluntary representation**

- a) Explain the forms of voluntary representation permitted by the Civil Code.<sup>[2]</sup>
- b) Explain power of attorney and the provisions of the Civil Code in relation to executing a valid power of attorney.<sup>[1]</sup>
- c) Distinguish the main forms of voluntary representation, especially commission, mandate and agency.<sup>[2]</sup>

## **E Capital and the financing of companies**

### **1. Share capital**

- a) Examine the different meanings of capital.<sup>[1]</sup>
- b) Illustrate the differences between ordinary shares and preference shares.<sup>[2]</sup>
- c) Explain the placement of shares and subsequent issues of shares.<sup>[2]</sup>
- d) Explain the rights of shareholders.<sup>[2]</sup>
- e) Explain the legal provisions applicable to increasing and reducing share capital.<sup>[2]</sup>
- f) Explain the consequences of increasing and reducing share capital.<sup>[2]</sup>

### **2. Loan capital**

- a) Distinguish loan capital from share capital.<sup>[2]</sup>
- b) Explain the rights of providers of long-term capital.<sup>[2]</sup>

### **3. Capital maintenance and dividend law**

- a) Explain the rules governing the recommendation and distribution of a dividend.<sup>[2]</sup>

## **F Management, administration and regulation of companies**

### **1. Company directors**

- a) Explain the role of directors and the executive body in the operation of a company.<sup>[2]</sup>
- b) Distinguish between the powers of the directors or executive body and the shareholders.<sup>[2]</sup>
- c) Explain the matters that fall within the exclusive competence of the directors or executive body and the shareholders.<sup>[2]</sup>

### **2. Other management bodies**

- a) Discuss the appointment procedure relating to, and the duties and powers of, a company's external auditors.<sup>[2]</sup>
- b) Discuss the appointment procedure relating to, and the duties and powers of, a company's Internal Audit Commission.<sup>[2]</sup>

### **3. Company meetings and decision taking**

- a) Distinguish between types of general meetings of shareholders.<sup>[1]</sup>
- b) Detail the legal requirements in relation to convening and conducting meetings of shareholders.<sup>[1]</sup>
- c) Explain the role of the Tabulation Commission.<sup>[1]</sup>
- d) Explain how decisions are made at meetings, including voting procedures.<sup>[1]</sup>

## **G Insolvency law**

### **1. Insolvency**

- a) Define the meaning of insolvency.<sup>[1]</sup>
- b) Discuss the criteria applied to establish insolvency.<sup>[2]</sup>

- c) Explain the role of the arbitration manager through the various stages of insolvency, including observation, recovery and external management.<sup>[2]</sup>
- d) Explain the procedure involved in liquidation and settlement of obligations, including the ranking of payables.<sup>[2]</sup>

## **H Corporate fraudulent and criminal behaviour**

### **1. Fraudulent and criminal behaviour**

- a) Recognise the nature and legal control over activities that may destabilise securities markets.<sup>[2]</sup>
- b) Recognise the nature and legal control over money laundering.<sup>[2]</sup>
- c) Recognise the nature and legal control over bribery.<sup>[2]</sup>

## **12. Summary of changes to Corporate and Business Law (LW -RUS)**

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There have been no additions to, or deletions from, the syllabus.