The use of visual aids and story-telling for effective teaching of Company Law to non-law students

Prepared by: Cheah You Sum
Content

1. Introduction 3
2. Background of teaching the Company Law module to non-law students 3-5
1. Using flow-charts and mind maps in problem based learning approach to effective teaching of Company Law. 6-9
4. The results in using visual aid to teaching Company Law. 9-10
5. Story-telling in teaching Company Law 10-11
6. The Results of Using Story-Telling in Teaching Company Law. 12
7. Conclusion 11-14
8. Bibliography 15-16

9. Appendices
   b. Appendix II - Positive Response from Students.
   d. Appendix IV - Sample of Materials Used for Story-Telling in Case Law.
   e. Appendix V - Summative Assessment Results Analysis for Semester 2 and 3, 2014 – LAW 2034 Company Law.
   f. Appendix VI - Sample of feedback from students on the use of flowcharts and story-telling.
The use of visual aids and story-telling for effective teaching of Company Law to non-law students

1. Introduction.

The Company Law module is offered as a core subject to both the Bachelor of Science (Honours) Business Management and the Bachelor of Science (Honours) Accounting and Finance programmes at Sunway University Business School. The module was introduced in 2008 and the content for the module had remained largely unchanged so as to comply with the requirements of the professional bodies which gives significant exemptions to graduates from our Bachelor of Science (Honours) Accounting and Finance programme. Student numbers has grown tremendously in the last seven years with the number of students taking the Company Law module averaging from two to three hundred students each semester. There are many pedagogical challenges confronting the teaching of law to non-law students, such as lack of interest in law (Allen. V, 2007), law subjects are complex (Kariyawasam, K and Hang Y.L. 2014) with challenging law language (Douglas, S. 2012 and Ewang F., 2008), and copious amount of reading is required (Ewang F., 2008). In this paper I will discuss the methods employed to make teaching Company Law more effective and in improving students’ performances in examinations.

2. Background of teaching the Company Law module to non-law students

During the first semester where I taught Company Law to business students, I found that the students were struggling with the jurisprudential elements and its accompanying Socratic argument and debates within the contents usually found in law modules. The Company Law module was developed along the
lines that were similar to what is being taught to law students in a Bachelor of Laws (LL.B) degree programme. The traditional approach taken in teaching of law is either the black letter law approach or the Socratic approach where the focus tends to be on the esoteric elements of jurisprudential legal arguments. Business students are trained differently, they are not trained to think like lawyers and sifts through jurisprudential arguments and as such feels lost in studying law (Newlyn, D., & and Spencer, L. 2010). The traditional approach taken in the teaching of law may appear to them to lack such practicality and they are not familiar with approaches that is devoid of the concreteness practical solutions which they are more familiar with. (Kariyawasam, K and Hang Y. L. 2014).

The traditional approach of lectures, tutorials and additional workshops were employed to enable students to learn the module. We had also arrange for site visits to the Companies Commission of Malaysia to ensure students get to see the practical side of Company Law in action and hope that they could relate to what happened in companies formation. Even with these efforts we find that our students struggles to really understand the subject with specific problems understanding the working mechanism of law and how it interacts and interrelates with different key legal principles. Students labour through jurisprudential reasoning’s found in development of law.

The final examination results were used as a benchmark to determine the effectiveness of teaching and meeting the learning outcome. Semester 3 of 2012 were used as a benchmark to be compared to future students’ performance as this was the semester that I have started teaching the said module. The students’ performance in both the summative assessments of coursework and final examination for Semester 3 of 2012 showed that fourty-nine percent of the students obtained a grade of Second Upper Honours and above and from these scores only three percent obtained a First Class Honours grades. *(Refer to Appendix I for Summative Assessment Results Analysis for Semester 3, 2012 – LAW 2034 Company Law)*.
We were really concerned about the performance of the students and conducted a review exercise for the module in Semester 1 of 2013. We had taken the decision to refine the contents and work on placing greater emphasis to contents which have more relevance to business degree students as compared to law students. We have decided to replace the emphasis on jurisprudential topics to the more application type of topics such as law of meetings and corporate governance. These modules are also relevant to students studying for the BSc (Hons) in Accounting and Finance as professional accountants need such knowledge in their day to day work. Research suggests that “…lecturers relying on the traditional lecture-based method of teaching spend too much time on content mastery and this does not help students develop mastery of useful skills to be successful in life”, (Ewang, F., 2008). Hence the decision was made amongst the staff teaching the module that we will focus on topics that offered more practical applications for their future career as accountants.

In the subsequent semester (Semester 2 of 2013) where I had taught the Company Law module, the same traditional lecture, tutorial with workshop mix was adopted and to help students understand some of the more challenging subjects, such as corporate governance we invited a speaker Dr. Elsa Satkunasingam, the Vice President Corporate Surveillance and Governance, Bursa Malaysia with a hope that the industry speaker can share with the students the practical application of corporate governance as students often find this topic too rule based, dry and uninteresting.

I was at this point of time enrolled for the Certificate in Academic Practice programme (CAP programme) and the key learning from the CAP Programme at this juncture for me was the four lenses of learning to make us a more effective teacher.

Learning from the perspective of the students was one of the key lens and I needed feedback from the students as to how they were learning, what were they challenges that confronts them as learners and what they found to be effective in the current way we teach? A questionnaire was adapted for use as a feedback mechanism and based on the feedback obtained, we realised that
students find it difficult to visualise the mechanism of laws and how these mechanism interlocks, integrate and affected the core legal principles in laws. They are lost in the intricate complexities that are found within the legal developments and arguments affecting companies. I had observed through the tutorial classes that I was that students cannot see the big picture of how law and legal principles work. As they get immersed into the module, they are inundated with huge amounts of law cases, statutes and legal principles. How these key factors in learning law work with each other baffled most of them who are non-law students.


These feedback from students was the critical catalyst that set me into thinking and reflecting as to how do I make it more effective for them to see the big picture? I fell back onto the four lenses of learning and based on another one of the lens of discovering knowledge from literature, I identified journal articles used by other teacher of laws on making teaching of law more effective. I was interested in the use of problem-based learning and effective teaching of laws through visual aids, flow charts and mind-mapping.

I have decided to try mind-mapping and flow charts to break down the chunks that you need to cover in law modules and Company Law is no different. I have used the feedbacks obtain from students during tutorial sessions and the literatures from journal articles that I have managed to analysed, to make a decision to switch to using flowcharts and problem based learning as a method of teaching students how to solve legal problems. Students in tutorial sessions are formed into smaller groups and are given set of problems to solve. The students then need to deconstruct the problem and using the legal framework that they have constructed using flow-charts or mind maps, they then analyse the problems and using the flow-charts and mind maps they will attempt to solve the legal problem. These are the elements of problem-based
learning that I have found in literatures and adapted for use in the tutorial classes for Company Law. (Grimes, R. 2015) The study of law is suited to problem based learning as often legal problems are ill-structured and the solution could be approach from many angles. (Nicola Beasley and John Ford)

Research have shown that law teacher who had incorporated efficient and innovative teaching methods will bring about more efficient results and can cover more legal doctrine and skills in the same amount of time. Due to the way our brain is designed, visual aids used in teaching will increase efficient learning, deepen understanding, and enhance long term retention (Burgess, H 2011). Visual aids such as flow charts and concept maps also enable students to learn complex materials and engage them in deep learning. (Koch, K.L. 2010)

The use of flowcharts and mind-maps helps students to visualise the ‘big-picture’ of law. The can now see where each key principles of law are placed and how the interact with one another and how these key principles plays the role of helping them solve legal issues and discussions typically discussed in examination questions. I have developed the first set of flowchart affecting promotion and pre-incorporation contracts, students are the required to developed further sets of flowcharts in class during tutorials sessions, where they get to participate in developing their flowcharts and using it to answer problem based questions normally found in examinations.

Research have shown that if students participate actively in learning then the remember more of what they have learned and participating in developing in flowcharts in class will make learning of law even more effective cognitively as demonstrated in the research conducted by a group of researcher from the School of Health and Medical Sciences, Seton Hall University, United States of America, where students using mind maps to find relationships between concepts to have reached metacognitive level. (D’Antoni A.V., Zipp, G.P., Olson, V.G., Cahill, T.F., 2010)
The use of visual aids to learning will benefit students benefit in a number of ways. The first of this benefit is in information retention and reinforcement. In one research it was discovered that, “individuals can be taught to search their minds for images and be guided through the process to select appropriate images that ... enhance learning and increase retention.” There are many articles on the teaching of law that reinforces the fact that “visuals help all students retain information, not just those who are visual learners.” The benefits of using visual aids however extend beyond the development of better memory or better retention. Visual aids used in lessons “serve to increase understanding; “they teach students “how to discover information for themselves.” More importantly they learned very specific skills such as, “essential mental skills such as classifying, generalizing, and abstracting can all be developed with visual materials as well as with verbal ones.” (Glassman, B. 2014)

In my class, I taught my students on how to use the flowcharts and to take the law that they see on the flowcharts and apply them sequentially in answering the questions which were posed to them in the tutorial class. The use of visual aids has proven to increase efficient learning, deepen understanding, and enhance long-term retention. (Burgess. H, 2011) In law subjects, lecturers prefer that students acquired capabilities of meaningful learning through both retention of knowledge and the transfer of that knowledge. (Burgess. H, 2011) The use of flowcharts and mind maps was to enhance both students' capabilities in retention and teaching the students in using the flowcharts or mind maps to answer questions is to teach students how to transfers those knowledge and apply knowledge to solve legal problems.

Professors Edwards and Lustbader succinctly summarised this approach of using visual aid as:

“[G]raphic techniques work for a number of reasons. They facilitate the metacognitive process, especially for visual learners; they clarify the
connections among substantive concepts; they provide students with the schema (ways to organize information) necessary for becoming an expert in a particular area; and they involve students in their own learning. Finally, graphic techniques engage the right brain. Thus, with whole brain thinking, students are more apt to comprehend and retain information.” (Edwards, L. & Lustbadder, P. 1994)

The method that I have adopted is similar to problem-based learning but I have adapted the use of flowcharts into problem based learning with the intent that students get to see the big-picture of law and uses the flowcharts as a tool for problem-based learning. Problem-based learning attracted much popularity in the 1960’s and the method has its roots in a research conducted by Barrows (Barrows and Tamblyn, 1980). As a method of learning, problem-based learning develops “active learning skills, hypothesis formulation strategies that depends on prior knowledge.” (Bledsoe. K, 2011) In using the problem-based learning method, students are taught to be independent problem solver and they are expected to engage with the dynamics of learning, they learn how to seek information or solution, using the flowcharts that the students have developed, in order to solve a set of given complex problems in the tutorial questions. These are not confined to the context of answers for which the lecturer has pre-determined but instead they discovered that there many possible angles of solving problems. (Baden. M.S, 2001)

A such, in the approach adopted, the flowcharts or mind-maps is only one of the tools made available to students which allows them to see the ‘big picture’ required in a subject like law but the students need to acquire the information and problem solving skills in-order to learn how to solve further legal problems which are given to them in the tutorial worksheets. Visual aid as a tool has been endorsed as an effective way of improving the teaching of law. (Passalacqua, A 1997); (Wesley Patton, W 1991) and (Burgess, H 2011)

The responses were positive. Many felt that they understood the requirement for learning Company Law and that they are now able visualise the elements
of law in the big-picture and how these are applied. They are also able to see the relationships between these different elements of legal principles and how they work with each other or work to the exclusions of other elements in solving a legal problem. (Refer to Appendix II – Positive Response from Students).

I observed that students are even more motivated once they discovered the key to learning, as they followed up with even more questions which sees them taking on a more active learning responsibilities by themselves. Many students on their own initiative undertook to complete written work for the tutorial questions so that they can verify that their approaches to learning are correct.

4. The results in using visual aid to teaching Company Law.

The results of whether the teaching method were effective lies with the overall examination results that the students obtained from the summative assessment in the coursework and the final examination. A comparison were made of the semester’s results before the introduction of the flowcharts method (Semester 2 of 2013) and the results after the flowcharts methods were introduced (Semester 3 of 2013) clearly indicates that students have performed better where in the semester before 30.7% of the class obtained a grade which is classified as Second Upper Honours and above and the semester after shows that 55% of the students scored grades which were classified as Second Upper Honours and above. (Refer to Appendix III for Summative Assessment Results Analysis for Semester 3, 2012 – LAW 2034 Company Law).

5. Story-telling in teaching Company Law

Memory work is key in the learning of many subjects but particularly with law, it is an inescapable reality. Students have provided feedback too on the
difficulty that they faced in remembering the key legal cases. As I have stated, memory work and lots of it, is the core requirement in the study of law, the challenge is how to make it more effective and easier for the students to study of law. I have chosen to address this issue later in Semester 2 of 2014. Only after first getting students to be familiar with the used of flowchart for their studies in the previous semester did I embark on adopting a method to help the students to remember law cases more effectively.

I realised that using visual aids such as mind-maps and flowcharts help students’ fit key legal principles of law into a big-picture but did not really help in solving the problem of trying to remember many law cases that is the staple of law studies. Digging for further literatures led to another interesting approach in teaching of using story-telling. Narratives or the use of story-telling in the teaching of law is not a recent phenomenon and numerous studies have been undertaken to demonstrate its effectiveness or otherwise. I was motivated to try this as I know everybody likes a good story and it is easier to remember a story as it gets internalised especially when the story is told in an interesting way as people remember stories better than legal theories (Vincent Harding, 1987). Story-telling or narratives for effective teaching in law has proven its effectiveness (Hayman, R.L Jr. & Levit, N. 1996) as it teaches students to approach study of law by learning how to organised the facts of law cases and in doing so gives the students an element of control in a complex areas of study. This method builds analytical skills in presenting facts of cases and as the students have greater control of the facts it enables them to discuss legal principles more effectively (Foley, B.J., 2008).

By developing the skills in storytelling, it will makes it easier for students to remember facts of cases which will enable them to argue their cases more cogently in their answers for examination purposes (Levit, N. 2009).

I have devised story-telling as an approach to case law analysis and use it to teach students how to analyse key facts of the case, the judgements delivered by judges and how to pick up key legal principles and encourage the students
to use the to tell their own stories. I have used full case law delivered by the courts and then breakdown using key facts and key legal principles to tell the story of the case. *(See Appendix IV – Sample of Materials Used for Story-Telling in Case Law).*

The approach demonstrates to students how to analyse law cases correctly and how to remember cases in an easier story-telling approach rather than students typical approach of struggling to remember each printed words contained in case laws in the printed text. Committing what is read to memory does not means that the students understand what they have memorised. Students learn better when they understand and remembering what one understand is infinitely better than forcing something that we don’t understand to memory.

In using the story-telling approach, students are assigned case studies in their groups and they are to participate in class during tutorials where key points or significant part of the story is to be told by their team members. Participation from students were assured through the means of assigned sets of tutorial grouping where each group will need to discover key facts or key legal principles in any given case law. Feedback from the students highlighted the fact that they liked the story-telling approach as they get to participate in the full story-telling process and understand much better the issues involved with these cases.

6. The Results of Using Story-Telling in Teaching Company Law

In semester 2 of 2014, the results showed a marked improvement over the two previous semesters. In Semester 2 of 2014, sixty-nine percent of the students obtained a grade which is classified as Second Upper and above. Twenty-six percent of the students obtained grades at First Class Honours. In semester 3 of 2014, sixty-four percent of the class obtained grades at Second Upper Honours and above with twenty-seven percent of the class obtaining grades at First Class Honours. What is evident from this approaches in
teaching is that the combinations of flowcharts and story-telling has helped students improved their grades and had made learning of law for business degree programme students more manageable. (Refer to Appendix V for Summative Assessment Results Analysis for Semester 2 and 3, 2014 – LAW 2034 Company Law

For this period beginning from August 2014 and ending at December 2014 (semester 2 of 2014), I co-taught and tutored a class of 240 students. I have used a simple survey form incorporating a Likert five-scale scoring mechanism with 13 questions and two questions that specifically asked feedback on effectiveness of learning activities and types of learning encouraged. These are further supplemented with open ended questions (questions 14 and 15), where students are encouraged to specifically described what they liked about the subject and particular difficulties that they faced in the subject. I distributed 240 survey forms and manage to get one-hundred and five completed forms which are correct with another five forms rejected to due forms not being completed with sufficient details. Out of one-hundred and five forms received, there were thirty-eight forms that provided details of what they specifically found useful when they were learning in the lectures, tutorials and assigned work. Most students find that their learning activities were assisted with the use of flowcharts and they were kept interested with story-telling approach on cases and case studies. (Please refer to Appendix VI – Sample of feedback from students on the use of flowcharts and story-telling).

7. Conclusion – the four lenses, self-reflection and feedback, the benefit of peer sharing.

The use of visuals in flow-charts and story-telling to encourage non-law students to gain more confidence in studying for a law subjects seems to have made an overall improvement to the performance of the students. It is not a
flawless system however as there are some students who still demonstrate disinterest during class and tutorials, these are also the students who are unlikely to follow-up with after class consultation. It is like these students have given up when it comes to law and there is a mental block that no matter what they do or how hard they tried, they would not do well in law.

I have adopted the four lenses to learning as a more holistic approach to teaching and this has benefitted me in its inherent requirement of seeking, sharing of knowledge and information amongst my students and peers.

Listening to students for their feedback is critically important but as important as this is, it is only of the cog in the wheel of effective learning. I have learned the importance of feedback from peers who is the independent, less emotionally attached persons to our course design, lesson plans and teaching methods that they are able to provide us with the benefits of their experience and by being the person who is looking in from the outside to inform us on how we can improve. Some shares their frustrations and mishaps that they have taken in their approaches which to me is invaluable as I too made the same mistakes and all in all make us more human in our approach to being an effective teacher. My peers are invaluable in my course design and delivery methods, a voice I cannot do without in my journey of teaching.

Whilst many may think of literatures as another source of information or another lenses in learning, what I have learned from these literatures gives me a level of personal comfort. I can hear their voices in what they write in the journal articles, a voice so familiar of that a teacher sharing their joy and frustration. They have given me the comfort that they too experimented with approaches to see how each of these approaches may make their teaching more effective. I can consider these literatures in the same light as I have for my teaching peers for all of us have one goal in mind, on how to be more effective teachers.

Self-reflection is perhaps the most critical of all the lenses, whilst the other lenses provide us with information, this self-reflection lens provides us with a filter. We need to assess the information that we have from our other lenses and make a decision on what actions we need to take in order to make our
course design, teaching delivery methods and assessment meets the requirements of producing students who have the desired qualities that the society at large seeks.

These approaches have also impacted on how I design courses and assessment that are linked to the learning outcomes. I have used the experience gained in teaching corporate governance as a topic in the Company Law module to redesign the module on Corporate Governance which will be introduced as a core module in the third year of the Bachelor of Science (Honours) Accounting and Finance by early 2016.
Bibliography


<table>
<thead>
<tr>
<th>Sem 3 2012</th>
<th>Count of Sem 3 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>4</td>
</tr>
<tr>
<td>B</td>
<td>56</td>
</tr>
<tr>
<td>C</td>
<td>51</td>
</tr>
<tr>
<td>D</td>
<td>10</td>
</tr>
</tbody>
</table>

Count of Sem 3 2012
Appendix II – Positive Response from Students

12. BENEFITS TO YOU
(Has this subject helped you to expand your outlook, know more, understand more, and think?)
Comment ..............................................................................................................................

13. NATURE AND TIMING OF SURVEY
(Were you satisfied with the nature and timing of this survey?)
Comment ..............................................................................................................................

Student feedback on the subject

14. Please describe anything particularly liked about the subject.

I really liked how the subjects were conducted and related to the real life issues.

15. Please describe any difficulties you experienced with the subject.

Had difficulties in finding relevant cases and understanding some studies.
12. BENEFITS TO YOU

(Has this subject helped you to expand your outlook, know more, understand more, and think?)

Comment. ........................................................................................................................................
.......................................................................................................................................................

13. NATURE AND TIMING OF SURVEY

(Were you satisfied with the nature and timing of this survey?)

Comment. ........................................................................................................................................
.......................................................................................................................................................

Student feedback on the subject

14. Please describe anything particularly liked about the subject.

Lecturer teaching methods is impressive.
.......................................................................................................................................................
........................................................................................................................................................

15. Please describe any difficulties you experienced with the subject.

.......................................................................................................................................................
........................................................................................................................................................
12. BENEFITS TO YOU

(Has this subject helped you to expand your outlook, know more, understand more, and think?)

Comment........................................................................................................................................
...................................................................................................................................................

13. NATURE AND TIMING OF SURVEY

(Were you satisfied with the nature and timing of this survey?)

Comment........................................................................................................................................
...................................................................................................................................................

Student feedback on the subject

14. Please describe anything particularly liked about the subject.

Tutorials were conducted effectively. Most knowledge of company law are

 gained through tutorials

...................................................................................................................................................

15. Please describe any difficulties you experienced with the subject.

Notes are often uploaded late. Very in conducive to learn during lecture

without notes

...................................................................................................................................................
Appendix III – Summative Assessment Results Analysis for Semester 3, 2013 – LAW2034 Company Law

<table>
<thead>
<tr>
<th>Semester 3/2013</th>
<th>Count of Sem 3/2013</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>33</td>
<td>17.46</td>
</tr>
<tr>
<td>B</td>
<td>71</td>
<td>37.57</td>
</tr>
<tr>
<td>C</td>
<td>61</td>
<td>32.28</td>
</tr>
<tr>
<td>D</td>
<td>21</td>
<td>11.11</td>
</tr>
<tr>
<td>F</td>
<td>3</td>
<td>1.59</td>
</tr>
</tbody>
</table>

Count of Sem 3/2013
Appendix IV – Sample of Materials Used for Story-Telling in Case Law

Mr. Aaron Salomon

Salomon v A Salomon & Co Ltd [1896] UKHL 1

Aaron Salomon was a successful leather merchant who specialized in manufacturing leather boots. For many years he ran his_________________. By 1892, his sons had become interested in taking part in the business. Salomon decided ____________his business as a__________, Salomon & Co. Ltd.

At the time the legal requirement for incorporation was that at least seven persons_________________. Mr. Salomon himself was managing director.

Mr. Salomon____________________________________________________________
___________________________________________________________________

_____________________________. Mr. Salomon __________________________ £39,000. The company also gave Mr Salomon £10,000 in debentures (i.e., Salomon gave the company a £10,000 loan, secured by a floating charge over the assets of the company).

Soon after Mr Salomon incorporated his business a decline in boot sales, exacerbated by a series of strikes which led the Government, Salomon’s main customer, to split its contracts among more firms to avoid the risk of its few suppliers being crippled by strikes______________________________

_________________________________________.


Salomon’s business failed, defaulting on its interest payments on the debentures (half held by Broderip). Broderip sued to enforce his security in October 1893. The company was put into liquidation. Broderip was repaid his £5,000. This left £1,055 company assets remaining, of which Salomon claimed under his retained debentures. This would leave nothing for the unsecured creditors, of which £7,773 was owing. When the company failed, the company’s liquidator contended that the floating charge should not be honoured, and Salomon should be made responsible for the company’s debts. Salomon sued.

When the company went into liquidation, the ___________________________________________________________________________________________, on the grounds of fraud.

________________________________________________________________________________________.

The judge, Vaughan Williams J. accepted this argument, ruling that since Mr. Salomon had created the company solely to transfer his business to it, the company was in reality his _________________________ was liable for debts to unsecured creditors.

**High Court:**

The judge, Vaughan Williams J. accepted this argument, ruling that since Mr. Salomon had created the company solely to transfer his business to it, then the company and Salomon were one unit;

the ___________________________________________________________________________________________. He said the signatories of the memorandum were mere dummies, the company was just Mr Salomon in another form, an alias, his agent. Therefore it was entitled to indemnity from the principal. The liquidator amended the counter claim, and an award was made for indemnity.
The Court of Appeal:

The Court of Appeal confirmed Vaughan Williams J's decision against Mr Salomon, though on the grounds that Mr. Salomon had abused the privileges of incorporation and limited liability, which Parliament had intended only to confer on "independent bona fide shareholders, who had a mind and will of their own and were not mere puppets".

Lindley LJ (an expert on partnership law) held

___________________________________________________________________  
___________________________________________________________________  
___________________________________________________________________  
___________________________________________________________________.

The House of Lords:

The House of Lords unanimously________________________________________  
___________________________________________________________________  
The House of Lords unanimously overturned this decision, rejecting the arguments from agency and fraud. They held that there__________________________________  
___________________________________________________________________  
___________________________________________________________________.

Lord Halsbury LC stated that the statute "enacts nothing as to the extent or degree of interest which may be held by each of the seven [shareholders] or as to the proportion of interest or influence possessed by one or the majority over the others." His judgement continued.
Salomon followed the required procedures to set the company; shares and debentures were issued. The House of Lords held that the company has been validly formed since the Act merely required 7 members holding at least one share each. There was no fraud as the company was a genuine creature of the Companies Act as there was compliance and it was in line with the requirements of the Registrar of Companies.

Significance of the case – The Legal Principle

It was held that: "Either the limited company was a legal entity or it was not. If it were, the business belonged to it and not to Mr Salomon. If it was not, there was no person and nothing to be an agent [of] at all; and it is impossible to say at the same time that there is a company and there is not." Hence the business belonged to the company and not to Salomon, and Salomon was its agent.

The House further noted:

"...; and, though it may be that after incorporation the business is precisely the same as it was before, and the same persons are managers, and the same hands received the profits, the company is not in law the agent of the [shareholders] or trustee for them. Nor are the [shareholders], as members, liable in any shape or form, except to the extent and in the manner provided for by the Act."
Salomon v A Salomon & Co Ltd [1896] UKHL 1 – Case Analysis

Key Facts of the case:

Set 1.
1. Who is Mr. Salomon and what did he do?
2. Why did Mr. Salomon set up the company?
3. How did he set-up the company?

Set 2
1. What happened after he set up the company?
2. How and what did he do to prevent the company from being liquidated?
3. What is a debenture?
4. Why is the debenture important?

Set 3
1. What did the liquidator do when they were appointed?
2. What is the role of the liquidator?

Set 4
1. What is the decision of Vaughan Williams J in High Court?
2. Why did he come to such a decision?

Set 5
1. What is the decision of the Court of Appeal?
2. Analyse the statement made by Lindley LJ.
3. Why did the Court of Appeal come to such a decision?

Set 6
1. What is the decision of the House of Lords?
2. Why did they come to such a decision and what is the key legal principles of the Lords?
Appendix V for Summative Assessment Results Analysis for Semester 2 and 3, 2014 – LAW 2034 Company Law

Semester 2, 2014

<table>
<thead>
<tr>
<th>Count of Sem 2/2014</th>
<th>2/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>33</td>
</tr>
<tr>
<td>B</td>
<td>55</td>
</tr>
<tr>
<td>C</td>
<td>21</td>
</tr>
<tr>
<td>D</td>
<td>8</td>
</tr>
<tr>
<td>F</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>127</td>
</tr>
</tbody>
</table>
### Semester 3, 2014

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>53</td>
</tr>
<tr>
<td>B</td>
<td>75</td>
</tr>
<tr>
<td>C</td>
<td>50</td>
</tr>
<tr>
<td>D</td>
<td>15</td>
</tr>
<tr>
<td>F</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>198</strong></td>
</tr>
</tbody>
</table>

#### Count of Sem 3/2014

![Bar Chart](chart.png)
Appendix VI - Sample of Feedback from Students on the Use of Flowcharts and Story-Telling

12. BENEFITS TO YOU

(Has this subject helped you to expand your outlook, know more, understand more, and think?)

Comment...

13. NATURE AND TIMING OF SURVEY

(Were you satisfied with the nature and timing of this survey?)

Comment...

Student feedback on the subject

14. Please describe anything particularly liked about the subject.

...charts provided are very good for my understanding... and flow of the chapter helped the case in story is easier for me to remember...

15. Please describe any difficulties you experienced with the subject.

...some law term is unexplained therefore I found difficult to understand...

...
12. BENEFITS TO YOU

(Has this subject helped you to expand your outlook, know more, understand more, and think?)

Comment. ........................................................................................................................................

13. NATURE AND TIMING OF SURVEY

(Were you satisfied with the nature and timing of this survey?)

Comment. ........................................................................................................................................

Student feedback on the subject

14. Please describe anything particularly liked about the subject.

I like the way Dr. Cheah explain the law to us by using chart and story-telling method.

15. Please describe any difficulties you experienced with the subject.

The English used in Law
12. BENEFITS TO YOU

'Has this subject helped you to expand your outlook, know more, understand more, and think?"

Comment: .................................................................................................................................................. 

13. NATURE AND TIMING OF SURVEY

'Were you satisfied with the nature and timing of this survey?)"

Comment: .................................................................................................................................................. 

Student feedback on the subject

14. Please describe anything particularly liked about the subject.

Listen to ed past history. like listening to stories.

Make sense when listening to why we have to know about company law.

15. Please describe any difficulties you experienced with the subject.

Too much to memorize because the case names & views are confusing.

Some cases can't be easily found that facts through online.