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DEVELOPING AN INSTRUMENT TO AID STUDENTS IN UNDERSTANDING THE TOPIC OF SHARES IN COMPANY LAW COURSE

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Abstract

Teaching law to non-law students is different from teaching law to law students. Learning law in general or specifically learning Company Law is not easy for non-law students because a law course is not their forte nor do they have a total interest in the subject matter. The usual lecture-based learning and problem-based learning might not be suitable in some cases when teaching non-law students, especially topics which are difficult for the students to understand or visualise. Previous studies showed that students have difficulty understanding Company Law since it is a technically complex course and not easy to restate in a few words. There are suggestions that the teaching of law to non-law students should emphasise practical work. Studies on the methods of teaching Company Law to non-law students are sparse. Thus, this study aims to find an effective method to make non-law students understand the topic of shares in the Company Law course by developing an instrument named 'LexGenic Plus' to aid them. Findings revealed that LexGenic Plus managed to develop students' writing skills and exude proper communication by replying to proper emails and becoming very persuasive in their actions. The exercise also enables the students to work in a group, working in collaboration with other students and paying attention to detail. The clear and concise flowchart as visual aid has helped Gen Z students to improve their understanding of the topic of shares in the Company Law course. The teaching instrument will add to the teaching methods of engaging students in the Company Law course, hence will significantly add value to the teaching pedagogy for law courses.

Keywords: Company Law, shares, visual aid, flowchart, non-law students

1. INTRODUCTION

Legal education includes the legal profession, law teaching, law research, administration of different branches of law and all other activities which require legal knowledge and skill (Majhi, 2022). Teaching law to law students is different from teaching law to non-law students. The teaching method to teach non-law students normally has two approaches. Firstly, lecture-based learning (LBL) conducted in mass lectures where students remain passive most of the time but are active listeners (Poon & Kong, 2014). The second teaching method is problem-based learning (PBL) where the students will be given problematic questions to be solved during tutorial hours with their group members (Poon & Kong, 2014). LBL will allow students to facilitate a deep approach to learning by linking a complex chain of problem scenarios through theoretical knowledge and PBL encouraging independent thinking and the acquisition of problem-solving skills (Ewang, 2008).

Although LBL and PBL have been used to teach non-law students, there are situations where the students still face difficulty in understanding the law courses. The difficulty depends on the law courses offered to the students. In this study, the Malaysian Company Law course is offered in the 4th semester of an undergraduate program for the Bachelor of Corporate Administration (Honours) under the Faculty of

Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia. The Malaysian Company Law course will be taught in 14 weeks for each semester with two hours of lecture and two hours of tutorial each week.

The Malaysian Company Law course is a prerequisite for another Corporate Secretarial Practice course. Graduates of Bachelor of Corporate Administration (Honours) will obtain an exemption from having to undergo the same Company Law course during the qualifying examination for Company Secretary under the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). Learning law in general or specifically learning Company Law, which is also a part of Corporate Law is not easy for non-law students because a law course is not their forte nor do they have a total interest in the subject matter. There are many topics in the Malaysian Company Law course such as the topics on incorporation of companies, types and formation of companies, promoters, shares and maintenance of share capital, and directors. A previous study showed that students have difficulty understanding corporate law in general since corporate law is technically complex and not easy to restate in a few words (Orts, 1993). The law relating to companies which includes the issuance of shares is also difficult to understand (Hicks & Goo, 2008; Padil et al., 2021).

Nevertheless, Company Law is still the main course that students must learn since it provides a basic understanding of corporate work. Students feel disengaged knowing that the subject is a difficult one (Dobson & Marsh, 2009 as cited in Yoon & Wong, 2018). Since the topic of shares is one of the important topics in the Company Law course, students are expected to understand how shares help the company to increase capital, and hence how the corporators continue their business. Studies on the methods of teaching Company Law to non-law students are sparse. A study conducted on undergraduate nursing, business administration and accountancy students to find the best approach to teaching and learning to non-law students revealed that there ought to be an emphasis on practical work. (Byles & Soetendorp, 2002). Therefore, the effort in teaching law should be to make the law “real” rather than “imitation” (Donohoe, 2007). Thus, this study aims to find an effective method to make non-law students understand the topic of shares in the Company Law course by developing an instrument to aid them. The teaching instrument will add to the teaching methods of engaging students in the Company Law course, hence added value to the knowledge of Company Law.

2. LITERATURE REVIEW

LBL is a teaching method to impart requisite knowledge relevant to the course through lecture-based mostly mass lectures and students are guided for further reading based on the conceptual framework given by the lecturer (Yoon & Wong, 2018). Unlike LBL, during PBL, the students will use the acquired knowledge gathered from the LBL to deal with or solve the problems given by the lecturers (Blunden, 1990; Shalini 2021). Although LBL was perceived as an inactive, passive approach and boring while PBL is considered to be effective in enhancing teamwork and helpful in improving understanding, a combined approach of LBL and PBL is the most preferred method in teaching law students since it increases their knowledge and competence (Yoon & Wong, 2018).

Teaching pedagogy to non-law students should be in line with the objectives and outcome of the syllabus of the law courses. Pedagogy is the combination of teaching methods (what instructors do), learning activities (what instructors ask their students to do), and learning assessments (the assignment, projects, or tasks that measure student learning) (University of Minnesota, 2023). Therefore, Sriprom et al., (2019) suggested that teaching style and classroom management should be suited to law students' traits by providing more interactive activities such as discussion, debate, and so on. However, lecturers have to be creative in their teaching methods since non-law students are non-prepared with legal skills. The teaching pedagogy of teaching non-law students has to be enhanced by understanding the characteristics of the students which relate to the generation groups in Table 1 (Debczak, 2023). Since the students in this present study are under 26 years old, the study will refer to the students of Gen Z.

Table 1. **Generational Groups**

Name of Generation	Year of Birth	Current Age in 2023
Gen Alpha	Early 2010s-2025	0-about 10 years old
Gen Z	1997-2012	11-26 years old
Millennials	1981-1996	27-42 years old
Gen X	1965-1980	43-58 years old
Baby Boomers	1946-1964	59-77 years old
The Silent Generation	1928-1945	78-95 years old

Gen Z are visual learners who prefer active learning activities (McCoy, 2020; Osman et al., 2021b; Gargallo-Camarillas, 2021). Since technology has been incorporated into Gen Z's everyday lives (Schwieger & Ladwig, 2018), learning activities should be technologically inclined (Osman et al., 2021b). A study also found that apart from being technology-oriented, Gen Z students developed learning experiences from collaborative and group-centred work (Schwieger & Ladwig, 2018). Gen Z students should be taught using basic tools which connect digital technology and tangible elements in the classroom such as asking the students to present short scenes, and posing and informing legal questions (Sadowski, 2020). A study showed that students have a strong preference for digital materials where they enjoy learning with the use of digital tools compared to printed materials (Gargallo-Camarillas, 2021). Learning methods can use common tools such as e-mail or digital library (Pascual, 2021).

Apart from digital tools, flowcharts have been proven to enhance the introductory stage of learning. The deductive proof characteristics of flowcharts might challenge the students to construct good and presentable flowcharts (Miyazaki et al., 2017). Researchers of a previous study (Govender & Govender, 2020) found that the student is exposed to the actions of the flowchart through the movement of the robot. Such flowcharts contributed to an increased focus on problem-solving skills and the vital concepts of programming. This showed that flowcharts are visual aids in enhancing students learning ability to understand concepts visually (Govender & Govender, 2020).

3. METHODOLOGY

This study employed a qualitative research design to examine the outcome of a tutorial task called "LexGenic Plus", an extension of LexGenic Kit (Padil et al., 2021). All non-law students (the students) attending Company Law classes during the semester from March-August 2023 for the Bachelor of Corporate Administration (Honours) under the Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Malaysia were assigned during the tutorials to refer to the instructions in the LexGenic Plus and to respond to a request by a 'potential investor'. A total of 100 students out of 105 students responded to the survey and gave their reflections on the exercise. Their feedback was analysed using the software, Atlas.ti version 23.

3.1 LexGenic Plus

LexGenic Plus is an extension of the LexGenic Kit (Padil et al., 2021). LexGenic Kit was introduced in the year 2021 with the aim of introducing the purpose of the issuance of shares and the maintenance of capital in a company by preparing company profiles. The LexGenic Kit requires students to propose preference shares to a hypothetical potential investor, Mr Greene with the intention of increasing share capital. The students have earlier on during week 5 of their semester prepared their company profiles based on the instructions in the LexGenic Kit. During week 6 of the semester, they were instructed to follow the instructions in the LexGenic Plus by preparing a flowchart informing the potential investor of the process of issuance of shares.

The students worked in a group, either a maximum of three or a maximum of four students. They were given a printout of Mr Greene's email as depicted in Figure 1 who requested a nicely presentable infographic flowchart on the issuance of shares to his name. In the same email, Mr Greene, who intended to transfer RM2 million for the first 50% of the investment, also requested the accumulative rate of dividend to be increased from 3% to 5% per year. Pursuant to the request in Mr. Greene's email, the students were instructed to prepare a flowchart on the issuance of shares. The LexGenic Plus which has

the instructions is attached in Figure 2. Based on the LexGenic Plus, the students are to prepare a completed infographic flowchart and submit it to the hypothetical potential investor, Mr Greene via email. Once the infographic flowchart is completed, the students were supposed to email it to Mr Greene.



Figure 1. Email from Mr. Greene.

Based on the above email, a total of RM2 million will be partly paid for the preference shares. You are required to prepare a nicely presentable infographic flowchart of issuance of shares to Mr Greene starting from with the introduction of preference share in your company's constitution until its issuance under Mr Greene's name.

In the flowchart, kindly ensure the following information to be included:

- 1) Name of your company (should be a non-listed public company).
- 2) Extract of clause in the constitution which states that your company has different classes of shares pursuant to section 90(1) of the Companies Act 2016 (state the name of shares in your company).
- 3) Extract of five (5) rights of preference shareholders pursuant to section 90(4) of the Companies Act 2016.
- 4) The total number of units of shares offered to Mr Greene.
- 5) Explain allotment.
- 6) Explain issuance of shares.
- 7) Price per share

Please prepare the flowchart and email it to Mr Greene at his email address richard11.greene@gmail.com. Your group are advised write a proper email to Mr Greene and attach the flowchart. Email to Mr Greene should reach him before end of your tutorial session. At the end of your email, state the Group No. (the same with Mini Law Dissertation), list of group members and ID as well as class.

(20 marks)

Figure 2. LexGenic Plus.

4. RESULTS AND DISCUSSION

4.1 Outcome of LexGenic Plus

The students submitted their flowcharts based on their tutorial groups. A total of 28 groups managed to submit their flowchart within 2 hours of the tutorial. Figure 3 shows a sample of the email sent to Mr Greene by one of the groups of students. Based on the reply email, the students managed to put up a very informative email explaining the basic process before the issuance of shares. From the same email, the students requested further documents from Mr Greene before pursuing the issuance of the shares. Figure 4 is a sample of a flowchart prepared by students. From the flowchart, the lecturer can easily identify

whether the students understand the instructions given and whether the students understand the topic of shares.

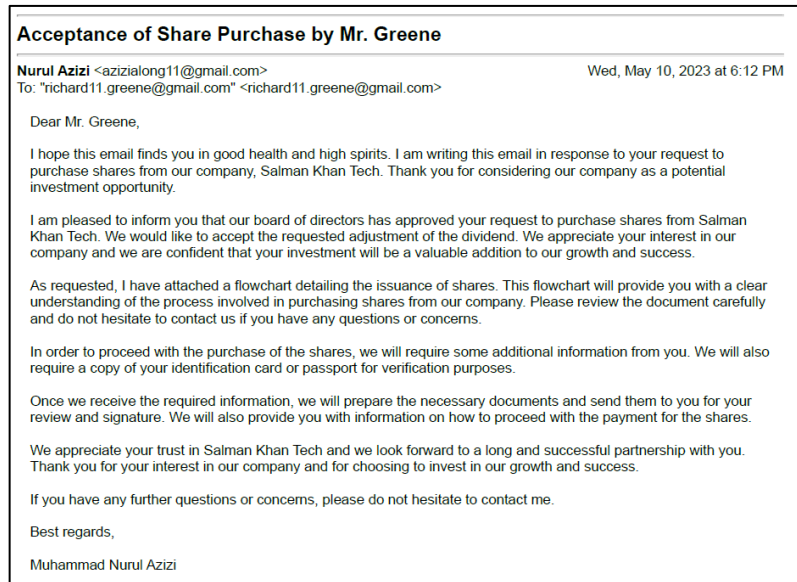


Figure 3. Reply email to Mr. Greene.

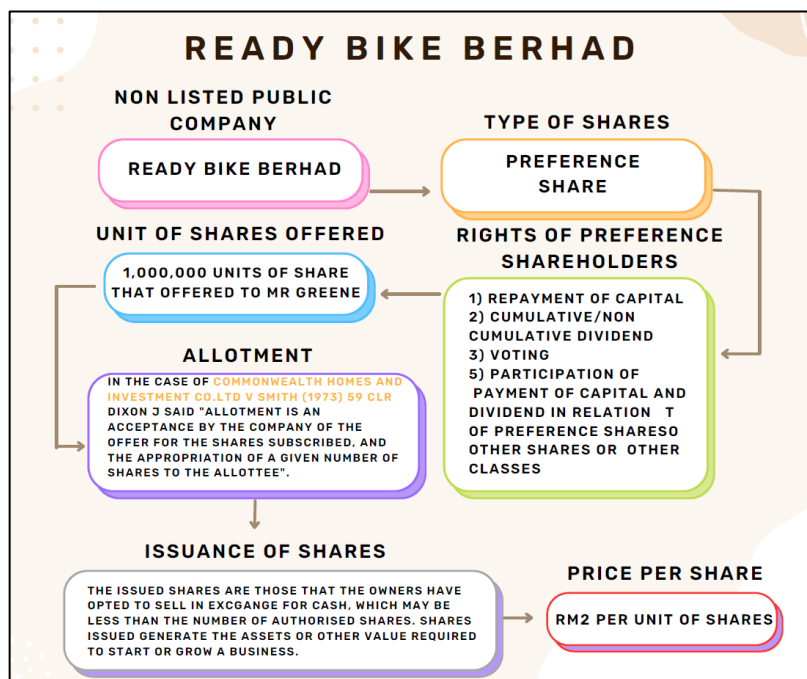


Figure 4. Flowchart on the information on the issuance of shares

4.2 Learning Outcome of LexGenic Plus

A total of 22 (22%) and 78 (78%) male and female students, respectively, submitted their feedback on the survey. The open-ended responses were later analysed using Atlas.ti version 23 which the ‘artificial intelligence’ (AI) managed to summarise 41 codes from the responses. From the total of 41 codes, the codes were later reduced into six themes as depicted in Table 2 after consideration of overlapping codes.

Table 2. Summary of Themes

Themes No.	Teamwork	Acquiring Knowledge	Comprehension	Skills	State of mind	Personal Development
1	Attention to detail.	Corporate Governance	Understand law	Writing	Excitement	Self-improvement
2	Collaboration	Business	Clear instruction	Replying email	Motivation	Self-reflection
3	Positive results	Education	Simplify	Communication	Gratitude	Confidence
4	Lack of understanding	Financial knowledge	Learning the law	Persuasion		Personal Growth
5		Investment	Confusion			
6		Marketing	Visual			

Teamwork is working with a group of people to create or do something. Students gave reflection that when they work in a team, they can work in collaboration with others and pay attention to detail. The results from the combined work can give positive results. This result is in line with the study by Schwieger and Ladwig (2018) which found that Gen Z students developed learning experiences from collaborative and group-centred work.

As for the theme of 'acquiring knowledge', it was found that LexGenic Plus is able to expose students to corporate governance, business, education, financial knowledge, investment, and marketing. From LexGenic Plus, students are able to produce the flowchart required because of clear instruction, and they manage to simplify the information into a flowchart. The flowchart would enable them to understand the law and learn the law at the same time. The visual aid of the flowchart enables the students to understand the topic of shares better. This result supports previous studies (McCoy, 2020; Osman et al., 2021b; Gargallo-Camarillas, 2021) since the students in this present study were all Gen Z, who are also considered visual learners.

LexGenic Plus manage to develop the students' writing skills and proper communication by replying to proper emails and becoming very persuasive in their actions. This skill is intrinsic in nature and can be referred to as 'intrinsic motivation in learning' which is self-inflicted motivation (Joitun & Tati, 2021). This study also discovered another intrinsic nature, which is the state of mind of the students, where the students felt excited, motivated, and grateful for the exercise. In addition, the students can improve their personal development and become confident in themselves. Self-improvement and self-reflection will lead to the student's personal growth.

However, the study discovered two negative traits of lack of understanding and confusion. Some respondents mentioned that they realised their knowledge of the topic was lacking and needed further revision. These negative traits should not outweigh the positive traits that emerged from the LexGenic Plus.

5. Conclusion

The preparation of the visual aid of the flowchart has helped Gen Z students to improve their understanding of the topic of shares. The flowchart was described as a clear and concise way of explaining the topic. LexGenic Plus managed to make the students realise the areas where their knowledge is lacking, prompting them to do further revisions. Students gained a better understanding of the process of issuance of shares through the flowchart exercise. Flowcharts were seen as a pleasant and easy way to explain complex topics and improve understanding. Some students found the exercise easy to understand, while

others found it challenging but learn through the process. The exercise also helped students understand the importance of properly preparing emails and cover letters. Overall, the exercise was seen as a helpful tool and beneficial in learning and understanding the concepts of shares.

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