

# **Jan Broulík – Theory of Decision Making in Public Law and Private Law Corporations**

## **Abstract**

The thesis analyses Czech legal regulations concerning decision making in bodies of corporations. For the purposes of this analysis it employs mainly the apparatus of the economic analysis of law. Its basic concepts are also outlined. The author focuses on two kinds of legal entities which are public universities and joint stock companies. The ethical-legal connections and the significance of corporate governance in the decision making domain are presented. The analysis of the legal norms shows how reasons of the economic analysis of law correspond with provisions regulating body elections, body competence allocation and the body decision making procedure. The criterion for evaluating the quality of legal norms is effectiveness, meaning an increase of social wealth. The main detected imperfections are a missing provision allowing a long distance voting for joint stock companies' general meetings, a missing tool for the cases where a shareholder breaches his loyalty duty which leads to not passing of a general meeting decision and the mandatory nature of the duty of care. Judicial decisions important for joint stock companies' decision making are presented. These decisions concern with the decision making of a sole shareholder and the corporate body member liability for damages caused by a breach of the duty of care. For long time Czech courts in their decisions have not dealt with the problem of the body decision making discretion range. According to the author the courts should consider above all the issue of decision making effectiveness. To enact a law to solve this problem is also an option.

**Key words:** decision making, corporation, economic analysis of law