

# WOMEN'S UNIVERSITY IN AFRICA



*Addressing gender disparity and fostering equity in University Education*

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FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES

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DIPLOMA IN BUSINESS MANAGEMENT

MAIN PAPER

**DBM 213: CORPORATE GOVERNANCE**

**INTAKE 4: SECOND YEAR FIRST SEMESTER**

**TIME: 2 HOURS**

**INSTRUCTIONS TO CANDIDATES**

Answer any **three** questions.

### **Question 1**

- a) What is corporate social responsibility? [5]
- b) Explain why corporate social responsibility has become more important. [10]
- c) Identify the key reasons for the emergence of corporate governance regulations around the world. [10]

### **Question 2**

- a) Define sustainability. [5]
- b) Explains the importance for the company of adopting a sustainable approach to its operations. [10]
- c) Explain the links between corporate performance, and corporate social responsibility[10]

### **Question 3**

- a) Outline the responsibilities of a company's audit committee. [9]
- b) Outline the main features of agency theory in relation to corporate governance. [5]
- c) Explain the issues that should be considered when assessing the optimum size for a board of directors. [5]
- d) Define 'board balance' and identify the ways in which board balance may be achieved. [6]

### **Question 4**

- a) What are the main requirements of good corporate governance with regard to supplying information and advice to the board of directors? [5]
- b) Explain why directors' liability insurance is an aspect of good corporate governance [5]
- c) Discuss, giving examples, the view that many companies only pursue corporate social responsibility policies when it is in their commercial self-interest to do so. [4]

- d) Explain the threats to the independence of external auditors in their relationship with the client company and its senior management. [5]
- e) What is auditor rotation, and how does rotation contribute to good corporate governance [6]

### **Question 5**

- a) Describe the four roles of a non-executive director. [4]
- b) With regard to the functioning and effectiveness of the board committees, what should be the responsibilities of a company secretary? [6]
- c) What is the nature of accountability, and how is it applied within a system of corporate governance? [7]
- d) Explain the limitations of the Annual General Meeting of a large listed public company for the exercise of their rights by the equity shareholders. [8]

### **Question 6**

- a) How does a supervisory board in a company with a two-tier board structure, such as a public company in Germany, differ from a unitary board, such as a board of directors in a UK public company? [4]
- b) Explain briefly the main reasons why a company may adopt a corporate code of ethics. [7]
- c) Describe the responsibilities that an internal audit function may be given if it is established, and suggest with reasons:
  - i. Who should decide the tasks or projects for internal audit; and
  - ii. Who the senior internal auditor should report to within the company. [14]

**END**