



Riara School of Business

Nurturing business innovators

SEPTEMBER – DECEMBER 2023 TRIMESTER

EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION

DAY /EVENING PROGRAMME

RBA 402: CORPORATE GOVERNANCE AND SOCIAL CORPORATE RESPONSIBILITY

DECEMBER 2023

TIME: 2 HOURS

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination paper during reading time.

This is a closed book examination. Text book/Reference books/notes are not permitted.

SPECIAL INSTRUCTIONS:

- 1 Write your REGISTRATION NO. Clearly on the answer booklet(s).
- 2 Answer Question One and ANY other TWO questions.
- 3 Questions in all sections should be answered in answer booklet(s).
- 4 Marks allocated to each question are shown at the end of the question.
- 5 PLEASE start the answer to EACH question on a NEW PAGE.
- 6 For the questions, write the number of the question on the answer booklet(s) in the order you answered them.
- 7 Write your answers in paragraph form unless stated otherwise.
- 8 Keep your phone(s) SWITCHED OFF at the front of the examination room.
- 9 Keep ALL bags and caps at the front of the examination room and do not refer to any unauthorized material before or during the course of the examination.
- 10 You are only allowed to leave the examination room 30minutes to the end of the Examination.

QUESTION ONE 30 MARKS

- a) Define the term corporate governance and outline **four** key pillars that are necessary for good governance **(10 Marks)**
- b) Examine any **five** contributions of the Cadbury Report to Corporate and Governance as a discipline. **(10 Marks)**
- c) Discuss **five** governance challenges that are faced by family businesses **(10 Marks)**

QUESTION TWO

- a) Evaluate **five** dimensions of Corporate Social Responsibility how each one of them promotes principles of good governance **(10 Marks)**
- b) Briefly discuss **five** theories of Corporate **(10 Marks)**

QUESTION THREE

- a) Explain the terms 'ethical threat' and 'ethical safeguard', and identify **five** ethical issues faced by corporations **(8 Marks)**
- b) For each of the situations below, identify the ethical threat and recommend an ethical safeguard, explaining why that safeguard is appropriate.
 - (i) **Situation A:** The director of a listed company sells a substantial shareholding prior to the announcement of worse than expected results for the company.
 - (ii) **Situation B:** AB is CEO of Company X, a non-executive director of Company Y and sits on the remuneration committee of that company. CD is the CEO of Company Y and is also

a non-executive director of Company X and sits on the remuneration committee of that company. AB and CD are good friends and play golf together every Saturday.

- (iii) **Situation C:** The chairman of Company Z does not like conflict on the board. When a new director is appointed, the chairman always ensures that the director's family members obtain highly paid jobs in the company, and in the case of children, that they are sponsored by Company Z through college. Company Z is very profitable, although the board appears to be ineffective in querying the actions of the chairman.

(12 Marks)

QUESTION FOUR

- a) Discuss any **five** OECD Corporate Governance Basic shareholder rights that should be included in corporate governance policy document **(10 Marks)**
- b) Evaluate **five** modern trends in Corporate Governance and demonstrate how they are shaping corporations performance in the 21st Century **(10 Marks)**