

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF BANKING AND FINANCE

CORPORATE GOVERNANCE (BS 410)

DURATION: 3 HOURS

INSTRUCTIONS TO CANDIDATES

- a) Answer any four questions.
 - b) Start answering each question on a new page.
 - c) Each question carries 25 marks
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JUN 2023

QUESTION ONE

- a) Describe the relationship between corporate governance and investment. (5)
- b) Critically evaluate the assertion that greater independence of non-executive directors is important in increasing the effectiveness of board committees. (5)
- c) Assess the contribution of non-executive directors in improving the governance of corporations. (15)

[25 marks]

QUESTION TWO

- a) 'The issue of fat cat directors has caused problems to corporations for many years across the globe negatively affecting their performance'. Discuss this assertion giving evidence both locally and internationally. (15)
- b) Explain how this problem can be resolved from a corporate governance perspective? (10)

[25 marks]

QUESTION THREE

- a) Critically evaluate the effectiveness of the Zimbabwean and American approaches to dealing with corporate governance issues. (10)
- b) Discuss the assertion that corporate governance does not apply to corporations only. (15)

[25 marks]

QUESTION FOUR

- a) Explain the principal - agent problem in corporate governance. (7)
- b) Critically evaluate any **three** theories of Corporate Governance. (18)

[25marks]

QUESTION FIVE

- a) Explain the indicators of poor corporate governance in corporations. (10)
- b) 'Transparency and accountability are some of the pillars that strengthen good corporate governance.'

Citing practical examples from Zimbabwean corporations, discuss how these pillars can be promoted. (15)

[25 marks]

QUESTION SIX

Discuss the roles of the main board committees in corporate governance. [25 marks]

END OF EXAMINATION