



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW AND BUSINESS INTELLIGENCE

DEPARTMENT OF ECONOMICS, MANAGEMENT AND ENTREPRENEURSHIP

EXAMINATION PAPER

COURSE CODE	:	MBA514
COURSE TITLE	:	CORPORATE GOVERNANCE
SPECIAL REQUIREMENTS	:	NONE
DURATION	:	3 Hours
LEVEL	:	5.1
DATE	:	10 OCT 2023

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. The paper comprises of **Part A** and **Part B**
3. Answer a total of **FOUR (4)** questions including **Part A (Question 1)** a **COMPULSORY** mini-case study question.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []

PART A (COMPULSORY)

Question 1

Read the following extract from a report on a business organisation and answer the questions that follow

BT appoints Allison Kirkby as company's first female CEO

BT has appointed board member Allison Kirkby as its first female chief executive, to take over from Philip Jansen after he set a course for significant job cuts at the telecoms provider. Kirkby will leave her job as chief executive of Swedish telecoms company Telia at the end of January 2024. She has been a non-executive director at BT since 2019. She will take over at BT with a mandate to continue the path set by Jansen, who in May revealed plans to cut as many as 55,000 jobs across the company by 2030, citing the need for a leaner business as well as the impact of artificial intelligence (AI).

As a board member since 2019, Kirkby played a role in signing off that strategy. She said: "Having been a member of the BT group board for the past four years, I'm fully supportive of our strategy and am excited about leading it into its next phase of development, as we grow to support customers, shareholders and the UK economy."

BT, which owns the EE mobile network and a large broadband internet network, announced it was looking for a successor to Jansen earlier this month. BT's share price has nearly halved since he joined in February 2019. It closed on Friday at £1.24, valuing the company at £12bn, after a steady decline from nearly £5 a share in early 2016.

Kirkby started her career by qualifying as a chartered management accountant in 1990 while at the drinks company Guinness. She then spent 20 years at consumer goods company Procter & Gamble before entering the telecoms industry with Virgin Media. She led the Swedish telecoms company Tele2 and Danish telecoms company TDC between 2015 and 2020.

She will receive a salary of £1.1m, the same as Jansen's, although her total pay package could be quadruple that under a bonus and share award scheme.

The Guardian. (31 July 2023). *BT appoints Allison Kirkby as company's first female CEO.*

<https://www.theguardian.com/business/2023/jul/31/bt-appoints-allison-kirkby-as-companys-first-female-ceo>

- a) If you are part of the board of directors for BT justify the importance of appointing Allison Kirkby as company CEO for BT. [15 marks]
- b) Explain any other two ways of reviving an underperforming company. [10 marks]
- [25 marks]

PART B (CHOOSE ONLY THREE QUESTIONS FROM THIS SECTION)

Question 2

- a) Explain the importance of an independent non-executive director in the board of directors. [15 marks]
- b) Justify the need for a code of ethics for any company in Zimbabwe. [10 marks]
- [25 marks]

Question 3

Discuss strategies that a company may implement to avoid conflict of interest. [25 marks]

Question 4

Evaluate the efficacy of the stewardship theory in moulding sound corporate relationships. [25 marks]

Question 5

Demonstrate the value addition role of risk management towards the achievement of organisational goals. [25 marks]

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