



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW AND BUSINESS INTELLIGENCE

DEPARTMENT OF ECONOMICS, MANAGEMENT AND ENTREPRENEURSHIP

EXAMINATION PAPER

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|----------------------|---|----------------------|
| COURSE CODE | : | MBA514 |
| COURSE TITLE | : | CORPORATE GOVERNANCE |
| SPECIAL REQUIREMENTS | : | NONE |
| DURATION | : | 3 Hours |
| LEVEL | : | 5.1 |
| DATE | : | |

13 FEB 2024

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

Elon Musk argues Twitter is better off without a board of directors – is he right?

After a wild ride, it looks like Elon Musk's bid to buy Twitter may be back on.

Twitter's board of directors had sued the Tesla billionaire in July 2022 when Musk tried to terminate the US\$44 billion deal. The board has yet to drop its lawsuit, with a trial still scheduled to begin Oct. 17, 2022, which was intended to force Musk to complete the buyout.

The board has in fact been at the center of this saga since the beginning, when Musk launched his hostile takeover bid while criticizing board members for owning almost no shares of the company they oversee. Twitter founder Jack Dorsey called the board the "dysfunction of the company."

The Conversation. (16 April 2022). *Elon Musk argues Twitter is better off without a board of directors – is he right?* <https://theconversation.com/elon-musk-argues-twitter-is-better-off-without-a-board-of-directors-is-he-right-181773>.

- a) Explain reasons Jack Dorsey called the board of directors of Twitter 'dysfunction of the company'. [10 marks]
 - b) Discuss the relevance of corporate governance if Twitter is to become a private company in the hands of Elon Musk. [15 marks]
- [25 marks]**

PART B (CHOOSE ONLY THREE QUESTIONS FROM THIS SECTION)

Question 2

Explain the importance of the following;

- a) Separation of positions of Chairman and Chief Executive Officer. [10 marks]
 - b) A proper mix of appointments to the board. [8 marks]
 - c) Whistle blowing. [7 marks]
- [25 marks]**

Question 3

Discuss the relevance of a fraud risk management policy for a named organisation in Zimbabwe. **[25 marks]**

Question 4

Apply the agency theory to solve the problems that arise because of separation of ownership and control. **[25 marks]**

Question 5

Demonstrate the value addition role of the auditing committee towards the achievement of the goals of the board of directors. **[25 marks]**

COURSE CODE

NR2314

COURSE TITLE

CORPORATE GOVERNANCE

SPECIAL REQUIREMENTS

NONE

EXAM DURATION

2 Hours

DATE

01 FEB 2014

13 FEB 2014

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3. Answer a total of FOUR (4) questions including Part A (Question 1) **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 ()