ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS INTELLIGENCE, ENTREPRENEUSHIP, ARTEFACTUAL DESIGNS AND FUTURES

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

MODULE CODE	**:**	**MSTM528/MBA514**
MODULE TITLE	**:**	CORPORATE GOVERNANCE AND BUSINESS ETHICS
DURATION	**:**	3 Hours
LEVEL	**:**	**1:2 AND 1:1**

12 JUN 2026

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed
3. Answer question number **one (1)** in Section A (Compulsory) and any other **three (3)** questions in Section B.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets [ ]
6. **Give living examples to substantiate your answer**

CASE STUDY

SECTION A ANSWER ONE QUESTION BASED ON THE CASE STUDY.

7 The corporate structure of OK Zimbabwe has come under scrutiny for having 13 directors on its board and 9 directors on its executive team, particularly given the company operate approximately 70 grocery stores. A critic argues that such a high number of directors is an example of poor management, suggesting that most of the head office staff, including a large portion of the executive team, could be eliminated for the company to function more efficiently.

a) How does the large board and executive team at OK Zimbabwe potentially increase agency costs and misalign the interest of the board, management, and stakeholders? [10 marks]

b) What are the implications of having a large board at OK Zimbabwe, and what governance and business ethics mechanisms should ensure the board and executive team remain effective and aligned with the company's goal? [15 marks]

SECTION B: ANSWER ANY THREE QUESTIONS

Question2

Excessive executive pay remains a highly contentious issue and has been for many years. With reference to living examples, reflect on how chief executive remuneration has been addressed on state owned enterprises. [25 marks]

Question3

Critically discuss the theoretical foundations of Stakeholder Theory and Shareholder Theory in the context of corporate social responsibility examining their respective implications for governance practices, decision making, and the balancing of interests within organizations.

[25 marks]

Question4

With reference to any city council of your choice show the relevance of corporate governance and business ethics. [25 marks]

Question5

16 Explain the role of shadow directors to any company of your choice [25 marks]

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