



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF ACCOUNTING AND FINANCE

EXAMINATION PAPER

COURSE CODE : CAC 402/ CBM 402
COURSE TITLE : CORPORATE GOVERNANCE AND
PROFESSIONAL ETHICS
DURATION : 3 Hours
DATE : 16 July 2019

INSTRUCTIONS TO CANDIDATES:

1. Answer any FOUR questions only.
2. Each question carries 25 Marks.
3. Start each question on a new page of your answer sheet.
4. Cellphones are NOT allowed.

Question One

- a) Compare and contrast the 'unitary' and 'two tier' Board structures. (5 marks)
- b) Explain the difference between financial and operational risks. (10 marks)
- c) Examine how sound corporate governance can make it more difficult for companies to fail, clearly explaining what 'corporate governance' means in your answer. (10 marks)

[Total: 25 marks]

Question Two

- a) Some commentators have questioned the contribution which non-executive directors (NEDs) may make to the work of the board. Discuss the criticisms which have been made concerning the effectiveness of NEDs. (15 marks)
- b) Explain reasons that may lead to the removal of the Directors (10 marks)

[Total:25 marks]

Question Three

Elaborate the responsibilities of the following committees

- a) Remuneration committee. (15 marks)
- b) Nomination Committee (10 marks)

[Total:25 marks]

Question Four

- a) With aid of practical examples explain any three pillars of good corporate governance . (7 marks)
- b) Describe any four threats to auditor's independence (8 marks)
- c) Outline the benefits and drawbacks of separating the roles of the Chief Executive Officer and the Chairman of the board. (10 marks)

[Total: 25 marks]

Question Five

a) Explain, in governance context, Kohlberg's stages of human moral development.

(10 marks)

b) Explain and analyze the content and nature of ethical decision-making using content from Kohlberg's framework as appropriate

(15 marks)

[Total:25 marks]

END OF PAPER