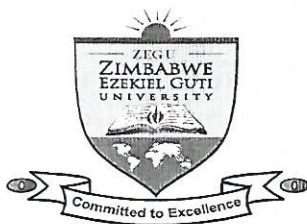


ZIMBABWE EZEKIEL GUTI UNIVERSITY



DEPARTMENT OF ACCOUNTING AND FINANCE

B. COM ACCOUNTING

COURSE: CORPORATE GOVERNANCE AND PROFESSIONAL ETHICS

COURSE CODE: CAC 402

DURATION: 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. No cell phones are allowed in the examination venue.
2. Answer ALL questions
3. Begin each question on a new page.
4. The number of marks allocated to each question or part question is shown in brackets
5. All questions carry twenty marks

Question 1

Explain the following corporate governance terms:

- (a) Unitary Board structure; (2 marks)
- (b) Two-tier board structure; (3 marks)
- (c) Shareholder value approach; (4 marks)
- (d) Stakeholder approach; (4 marks)
- (e) Enlightened shareholder approach; and (3 marks)
- (f) Independent non-executive Director. (4 marks)

(Total 20 marks)

Question 2

(a) Explain the roles of the following in corporate governance:

- (i) Chairman of the board; (3 marks)
- (ii) Company secretary; (3 marks)
- (iii) Audit Committee; and (4 marks)
- (iv) Remunerations Committee. (3 marks)

(b) Outline the benefits and drawbacks of separating the roles of the Chief Executive Officer and the Chairman of the board. (7 marks)

(Total 20 marks)

Question 3

(a) Since the fall of Enron and other corporate scandals, there is much interest at present in corporate governance and related issues.' Identify a range of stakeholders with an interest in the quality of management and corporate governance, clearly indicating their primary concerns.

(10 marks)

(b) With the aid of practical examples explain any **three** (3) core pillars of good corporate governance. (10 marks)

(Total 20 marks)

Question 4

(a) Discuss the ethical issues arising in the accounting profession citing their impact on the organization and its stakeholders. **(10 marks)**

(b) Explain Kohlberg stages of moral development. **(10 marks)**

(Total 20 marks)

Question 5

(a) Describe any **three** (3) threats to auditor independence. **(3 marks)**

(b) Identify and explain the bases for disqualification of Directors. **(5 marks)**

(c) Explain any **two** (2) approaches to improve the ethical conduct at the workplace. **(4 marks)**

(d) In light of the recent publication of the National Code on Corporate Governance, critically discuss the effectiveness of the Zimbabwean approach to dealing with corporate governance issues. **(8 marks)**

(Total 20 marks)

END OF PAPER