

**ZIMBABWE EZEKIEL GUTI UNIVERSITY**



**DEPARTMENT OF ACCOUNTING AND FINANCE**

**B. COM ACCOUNTING**

**COURSE: CORPORATE GOVERNANCE AND PROFESSIONAL ETHICS**

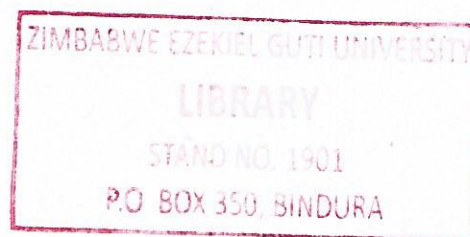
**COURSE CODE: CAC 402**

**DURATION: 3 HOURS**

**DATE 22 JUNE 2017**

**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**

(a) Explain what you understand by the following corporate governance terms:

- (i) Creative Accounting; (2 marks)
- (ii) Agency problem; and (2 marks)
- (iii) Board Balance (2 marks)

(b) Clearly distinguish between Unitary and Two-Tier Board structures. (4 marks)

(c) Transparency is one of the pillars that strengthen good corporate governance.' Discuss how it can be promoted, citing practical examples from Zimbabwean corporations. (10 marks)

**(Total 20 marks)**

**Question 2**

Outline the roles of the main board committees. (Total 20 marks)

**Question 3**

(a) 'Irrespective of the type of ownership and structure, the wider governance agenda advocates that all organisations should be run ethically in a socially responsible manner.' Discuss the relevance of this statement. (10 marks)

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

**(Total 20 marks)**

**Question 4**

(a) Assess the contribution of Non- Executive Directors in improving the governance of corporations. (12 marks)

(b) Explain the limiting factors to the effectiveness of Non-Executive Directors. (8 marks)

**(Total 20 marks)**

**Question 5**

(a) Discuss the major drivers on the development of Corporate Governance Codes and Guidelines across the globe. (10 marks)

(b) Critically evaluate the view that corporate governance provisions should vary by country clearly justifying what you consider to be the best way of dealing with corporate governance issues in Zimbabwe. (10 marks)

**(Total 20 marks)**

**END OF PAPER**