

KENYA METHODIST UNIVERSITY

**END OF 2NDTRIMESTER 2015 (FT) EXAMINATION**

**SCHOOL : BUSINESS AND ECONOMICS**

**DEPARTMENT : BUSINESS ADMINISTRATION**

**UNIT CODE : BUSS 426**

**UNIT TITLE : CORPORATE GOVERNANCE AND ETHICS**

**TIME : 2 HOURS**

**INSTRUCTIONS**

*Answer question one and any other two questions*

**Question One**

1. Identify a company of your choice that you think implements good corporate governance. Explain the key pillars of good corporate governance implemented. (10 marks)
2. Define the term internal control systems and discuss ways in which Kenya Methodist University can establish an effective internal control system. (10 marks)
3. Identify any five advantages and five disadvantages of an organization engaging in corporate social responsibility. (10 marks)

**Question Two**

1. Mention any five stakeholders in a manufacturing industry and discuss their roles. (10 marks)
2. Define the term ethical dilemma and highlight any four ethical dilemmas that an internal auditor may encounter in a manufacturing industry. (10 Marks)

**Question Three**

1. Highlight and discuss five sources of power in an organization. (10 marks)
2. Using relevant examples discuss the mendelow model of stakeholder management. (10 marks)

**Question Four**

1. Briefly discuss the following theories in corporate governance (10 marks)
2. Agency theory
3. Stewardship theory
4. Identify any five factors that are likely to enhance leadership effectiveness in a steel manufacturing industry. (10 marks)

**Question Five**

1. Highlight the major difference between the economic model and social economic model of corporate social responsibility. (10 marks)
2. The National Environmental management Agency has ordered machine steelworks to close the factory. Identify any four core values in business that may have been violated. (10 marks)