



# MERU UNIVERSITY COLLEGE OF SCIENCE & TECHNOLOGY

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## University Examinations 2012/2013

### FIRST YEAR, SECOND SEMESTER EXAMINATION FOR CERTIFICATE IN COUNTY GOVERNANCE

#### CCG 0108: CORPORATE GOVERNANCE

DATE: DECEMBER 2012

TIME: 2 HOURS

INSTRUCTIONS: Answer question *one* and any other *two* questions

#### QUESTION ONE – 30 MARKS

- a. Define the following terms as used in corporate governance: (6 Marks)
  - i. Governance
  - ii. Investor activism
  - iii. Corporate social responsibility
- b. Discuss at least five principles of any system or governance. (10 Marks)
- c. Explain how the following stakeholders would matter in governance of a corporation. (4 Marks)
  - i. Employees
  - ii. Investors
- d. Discuss why it is necessary to have a code of ethics in an organization. (10 Marks)

#### QUESTION TWO – 20 MARKS

- a. Explain five principles suggested in the “UK stewardship code” for guiding institutional investors activities in corporate governance. (12 Marks)
- b. Discuss some advantages of corporate social responsibility to an organization. (8 Marks)

#### QUESTION THREE – 20 MARKS

Discuss some benefits that a corporation would get for practicing good governance. (20 Marks)

#### QUESTION FOUR – 20 MARKS

- a. Explain the stewardship theory of corporate governance. (10 Marks)
- b. Discuss the roles of the chairman of board of directors in corporate governance setting. (10 Marks)

**QUESTION FIVE – 20 MARKS**

- a. Discuss at least four recommendations of Cadbury report of 1992. (10 Marks)
- b. Explain some perspectives that can be used in defining what ethics are to an organization. (7 Marks)