TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Business Administration

UNIVERSITY EXAMINATION FOR:

BACHELOR OF BUSINESS & OFFICE MANAGEMENT

BSC 4405: CORPORATE GOVERNANCE & ETHICS

END OF SEMESTER EXAMINATION

SERIES: APRIL 2025

TIME: 2 HOURS

DATE:29Apr 2025

Instructions to Candidates
You should have the following for this examination
-Answer Booklet, examination pass, and student ID
This paper consists of **FIVE** questions. AttemptALL questions.
Do not write on the question paper.

Question ONE

a) Write short notes on the following in regard to corporate governance: (6 marks)
i) Legitimate Power
ii) Board of Directors

b) Conflict may arise due to clashing interests between those who own the company and those who control it. FOUR negative outcomes of conflict. (8 marks)

c) Conflict resolutions should be seen as work in progress. Explain TWO following types of conflict: (8 marks)
i) Process Conflict
ii) Relationship Conflict

d) A key role of the board of directors is to monitor and ratify major managerial actions to protect the interests of owners. Explain FOUR challenges of engaging outside directors. (8 marks)

Question TWO

a) Explain FIVE rights of shareholders: (10 marks)

b) Describe the following theories as used in corporate governance. (10 marks)
   i) Social Contract Theory
   ii) Stakeholder Theory

Question THREE

a) The United Nations Convention made an effort to fight corruption in member countries. Explain FOUR ways of preventing corruption in member countries. (10 marks)

b) Corporate governance is a formal system of accountability and control of ethical and socially responsible decisions and the use of resources. Explain FIVE characteristics of good corporate governance. (10 marks)

Question FOUR

a) Boards voluntarily initiate changes. Describe FIVE factors used to enhance board effectiveness today. (10 marks)

b) Explain FIVE roles of stakeholders of a corporation of your choice. (10 marks)

Question FIVE

a) Describe FIVE principles of good governance according to The United Nations Convention, 2012. (10 marks)

b) Social responsibility relates to an organization's obligation to maximize its positive impact on society while minimizing its negative impact. Explain FIVE limitations of this phenomenon. (10 marks)