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CITY CAMPUS

MAIN EXAMINATION

AUGUST - DECEMBER 2014 TRIMESTER

FACULTY OF COMMERCE

MBA PROGRAMME

EVENING PROGRAMME

CMM 610: CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILIITY

Date: DECEMBER 2014	**Duration: 3 Hours**
INSTRUCTIONS: Answer ALL Questions	

Q1. Read the attached case study (In deep water: Board Room Tussle at Asia Water Technology) and answer the questions that follow:

a) When considering financing options for a company seeking to expand or tying to stay afloat, what are the key factors that the board and management should consider? **(10 marks)**

b) In your view, did the old AWT board adequately discharge its duties? Do you think the board acted appropriately when the business started to deteriorate? Give reasons. **(8 marks)**

c) Do you think the board could have done more to avoid the boardroom tussle? Explain. **(7 marks)**

d) Do you think the directors were resigning too easily? Do you find the reasons for their resignation acceptable? Under what circumstances should a director resign? Give explanation in each case. **(10 marks)**

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e) Identify any corporate governance deficiencies in AWT's board of directors – both the old and new board. **(5 marks)**

Q2. a) A common complaint amongst shareholder activists in the U.S is that minority shareholders have no rights because it is difficult for them to appoint directors of their choice or to remove directors. As an expert in corporate governance discuss the rights and powers of share holders. **(10 marks)**

b) Discuss the challenges the minority shareholders face in discharging their duties. **(5 marks)**

c) Discuss the roles of regulators in corporate governance. How can the regulators be helped to effectively discharge their duties? **(10 marks)**

Q3. a) Critically examine the concept of corporate social responsibility clearly highlighting its link to corporate governance. **(15 marks)**

b) Discuss the principles of corporate governance clearly showing how the management can use this principle to ensure that the company practices good governance. **(10 marks)**

Q4. The board and management have been blamed for corporate scandals. As an expert in corporate governance discuss how the actions of these two stakeholders contribute to the existence of corporate scandals. **(10 marks)**

END

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