



UNIVERSITY OF RUHUNA
FACULTY OF MANAGEMENT AND FINANCE

No. of Pages : 02
No. of Questions: 05
Total Marks : 70

158

BACHELOR OF BUSINESS ADMINISTRATION HONOURS DEGREE

3000 LEVEL SECOND SEMESTER END EXAMINATION – FEB/MAR 2023

Three Hours

ACC 32113- Corporate Governance

Academic Year 2021/2022

Instructions

- ➔ The question paper contains 05 questions.
- ➔ Answer all questions.

(01)

(A) Elaborate how corporate governance is different from management, strategic management and finance.

(06 Marks)

(B) Illustrate how does an ineffective board of directors lead the corporation to a disaster.

(04 Marks)

(C) Examine the need of regulations and strategies for corporate governance.

(04 Marks)

(Total Marks 14)

(02)

(A) 'There are two key positions at the top of every public company: Chairman and Chief Executive Officer (CEO) in conducting the business, and facilitating executive responsibility for management of the company's business'.

In view of the above statement;

(I) Differentiate the roles of the Chairman and CEO of a corporate by referring to the Sri Lankan Code of Best Practice on Corporate Governance.

(06 Marks)

(II) Critically discuss whether CEO should also be the Chairman of the board.

(04 Marks)

(B) Identify forces influencing the corporate governance convergence and corporate governance differentiation.

(04 Marks)

(Total Marks 14)

(03)

(A) Define 'an independent director' and identify four criteria of independence according to the Code of Best Practice on Corporate Governance or Colombo Stock Exchange (CSE) Listing Rules.

(06 Marks)

Page 1 of 2

(B) 'It realizes in practice that the contribution of independent directors to the corporate is at a lower level compared to that of executive directors'.

Critically discuss this statement.

(04 Marks)

(C) Outline the four main sub-committees of the board and briefly explain the roles of two sub-committees.

(04 Marks)

(Total Marks 14)

(04)

(A) Briefly explain three main theories that have influenced the development of corporate governance.

(06 Marks)

(B) 'Good corporate governance leads to better corporate control'.

Present your views on the above statement focusing on the need of corporate control.

(04 Marks)

(C) Briefly explain the main differences between Anglo-American model and German model of corporate governance.

(02 Marks)

(D) State four factors affecting the development of corporate governance.

(02 Marks)

(Total Marks 14)

(05)

(A) What stakeholder groups might be considered by the directors of a company, and demonstrate the situations where stakeholders' interests conflict with each other.

(06 Marks)

(B) Describe four pillars of Code of Best Practices.

(04 Marks)

(C) Identify duties of the whistle-blower.

(02 Marks)

(D) Briefly explain two rights of shareholders.

(02 Marks)

(Total Marks 14)
