



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS  
2020/2021 ACADEMIC YEAR  
SECOND YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS & ECONOMICS  
DOCTOR OF PHILOSOPHY IN BUSINESS  
MANAGEMENT**

**COURSE CODE: DBA 9103  
COURSE TITLE: CORPORATE GOVERNANCE**

**DATE: 7<sup>TH</sup> OCTOBER, 2021**

**TIME: 0830 -1130 HRS**

---

**INSTRUCTIONS TO CANDIDATES**

1. Answer **Question One** and **any other two**.
2. DO NOT WRITE ANYTHING ON THE QUESTION PAPER.

*This paper consists of 2 printed pages. Please turn over.*

### **Question One (Compulsory)**

- (a) Using relevant examples, discuss the responsibilities of the audit committee of the board. **(15 marks)**
  
- (b) It is the responsibility of the board to establish corporate policy and strategy. Explain the typical contents of a risk management policy. **(15 marks)**

### **Question Two**

The basic governance doctrine requires the board, as the shareholders' agent, to monitor management and ensure the latter focuses on total returns to shareholders. Discuss how the actions of management could, if not effectively controlled by the board, undermine this doctrine.

**(15 marks)**

### **Question Three**

Using relevant examples discuss the factors that have over the years contributed to the development of the role of the board of directors in corporate governance to what it is today.

**(15 marks)**

### **Question Four**

Corporation law provides for almost absolute separation of ownership and control such that the members of the board of directors are empowered to make or delegate to employees most decisions affecting the business and affairs of the corporation. Consequently, the shareholders have really no power to initiate corporate action and are entitled to approve or disapprove, usually in the annual general meeting, only a few board actions. Explain your suggestions for broadening the participation of shareholders in corporate decision-making.

**(15 marks)**

### **Question Five**

One of the principles of corporate governance requires that Boards should adopt structures and practices that enhance their effectiveness. Using relevant examples, explain the indicators that you would use to gauge a company's compliance with this principle.

**(15 marks)**

**END//**