PAN AFRICA CHRISTIAN UNIVERSITY

DOCTOR OF PHILOSOPHY IN ORGANIZATIONAL

LEADERSHIP

END OF SEMESTER EXAMINATION

DEPARTMENT

LEADERSHIP

COURSE CODE

POLD 707

COURSE TITLE

CORPORTAE GOVERNANCE (POLD 707)

EXAM DATE

APRIL 2026

TIME

Duration: 3 hours

INSTRUCTIONS

- Read all questions carefully before attempting.
- Answer Question One (Compulsory) and any other two questions **(Total 20 Marks)**

Question One (Compulsory)

Case Study: Figaro Energy Ltd

Figaro Energy Ltd is a publicly listed renewable energy company operating in East Africa. The company has grown rapidly over the past five years and recently secured financing from international investors.

Recent developments have raised governance concerns:

- The Chairperson previously served as CEO and still holds significant shares.
- Two non-executive directors resigned, citing limited access to operational information.
- Executive bonuses are tied primarily to financial performance targets.
- Community groups have challenged the company's land acquisition process.
- The board has an audit committee but no formal sustainability oversight mechanism.
- The latest annual report highlights strong profits but provides limited disclosure on ESG risks.

Despite these concerns, the company's market valuation remains high.

Required

a) Critically evaluate the governance effectiveness of Figaro Energy Ltd by integrating at least two corporate governance theories and relevant governance principles. (6 Marks)
b) Design a coherent governance reform agenda for Figaro Energy Ltd and justify how your proposals address the governance weaknesses identified in (a). (4 Marks)

Question Two

Discuss the governance implications of digital transformation and artificial intelligence for board oversight responsibilities. (5 Marks)

Question Three

It has been said that "if the past teaches us anything about corporate social responsibility, it is that the risks of doing nothing far outweigh the risks of doing something". Explore this statement in depth in the light of your knowledge of the historical development and ethical background of corporate social responsibility (5 marks).

Question Four

Some commentators have questioned the contribution which non-executive directors (NEDs) may make to the work of the board. Critically examine the usefulness of NEDs to an organization in light of the criticisms which have been made concerning their effectiveness. (5 Marks)