**PAN AFRICA CHRISTIAN UNIVERSITY**

**DOCTOR OF PHILOSOPHY IN ORGANIZATIONAL LEADERSHIP**

**END OF SEMESTER EXAMINATION**

**DEPARTMENT**

**LEADERSHIP**

**COURSE CODE**

**POLD 707**

**COURSE TITLE**

**CORPORATE GOVERNANCE (POLD 707)**

**EXAM DATE**

**APRIL 2022**

**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)**

ABC Ltd is a public listed Company in the Nairobi Securities Exchange. Peter Njoroge is the CEO and Chair of the Board of Directors. The Chief Financial Officer (CFO) and the Chief Operating Officer (COO) are also directors on the Board. Due to his previous experience as an Auditor, the CFO is also Chair of the Audit Committee. The other member of the audit committee is the COO, who was appointed because of his knowledge of systems and internal control in the Company. Peter sees no need for any other committees as the Company has been very stable over the last few years with no change of directors.

The four other members of the board of directors at ABC Ltd are;

1. Nyokabi, the wife of Peter. Nyokabi has never been employed by the Company
2. Kibisu, a long-time director of the bank that owns 20% of the shares in ABC Ltd and has provided much of the finance for the recent aggressive expansion of the Company.
3. Makau, who is very experienced and the CEO of an accounting firm that has no other connection with ABC Ltd. Makau has been a director for 2 years. Makau owns 1% of the shares of ABC Ltd.
4. Otieno has never been employed by ABC Ltd and owns no shares in the Company. Other than his directorship, Otieno has no connection to ABC Ltd and has been a long-standing director since the Company's listing on the NSE 20 years ago.

**Required:**

Evaluate the Board structure of ABC Ltd from a corporate governance viewpoint. As part of your discussion consider the position of Peter himself and that of each of the four directors he believes are independent. (10 marks)

**Question Two**

Responsible corporations are constantly developing their strategies to tackle the future demands of social fairness. Analyze the following issues and provide an illustration from an organization with which you are familiar:

a. Equal opportunities
b. Human rights
c. Positive discrimination (5 Marks)

**Question Three**

With reference to an organization of your choice, examine the application of Mendelow's Stakeholder Model to the determination of the relationship between the organization and its stakeholders [5 marks]

**Question Four**

A well thought out CSR strategy should aid an organization's mission as well as guide what the company stands for. Discuss (5 marks)

**Question Five**

"Ethics has no place in business" Critically examine this statement, giving examples that you are familiar with. (5 marks)