

BEAM026

UNIVERSITY OF EXETER

BUSINESS SCHOOL

May/June 2009

Corporate Governance, Reporting and Regulation

Module Convenor: Prof David Gwilliam

Duration: TWO HOURS

Answer three questions ONLY – all questions have equal marks

This is a closed note examination.

Question 1

A variety of theoretical perspectives, for example agency theory, stakeholder theory, managerial hegemony theory, stewardship theory, have been employed to explain and underpin the nature of corporate governance in the private sector companies. Set out what you understand the basic insights of these theories to be and in this context discuss briefly their success or otherwise in explaining the form of corporate governance that we have in companies today in the UK.

Question 2

The development of the Combined Code in the UK has been an iterative process. Set out the history of, and the background to, the development of the present day Combined Code and highlight its main provisions with respect to the governance of listed companies.

Question 3

Set out what you understand the duties of the board of directors of a limited company in the UK to be and proceed to discuss linkages between the revisions to these duties contained in the Companies Act 2006 and underlying theories of corporate governance.

Question 4

'Effective internal control is a vital cog in the machinery of governance.' Set out the manner in which approaches to internal control and risk management have evolved within firms over the last twenty years and, briefly, identify differences between the UK and the US with respect to responsibilities for internal control in listed companies.

Question 5

Discuss, giving examples, the role that institutional investors play in corporate governance.

Question 6

Set out the disclosure requirements within the statutory business review in the UK and proceed to discuss the extent to which these disclosures are likely to be of assistance to company members and wider stakeholders.

Question 7

Identify recent developments in environmental and sustainability reporting and in this context critically assess the value of environmental and sustainability disclosures in company annual reports.

Question 8

‘Corporate governance is a term which can only be interpreted within the context of cultural, economic and political factors associated with particular nation states.’ Discuss this statement giving examples of the nature and practice of governance from at least one country other than the United Kingdom.

Question 9

The present credit crunch is a striking indictment of the failure of the entire edifice of governance and control which has been built upon the work of COSO in the US and Cadbury in the UK. Discuss.

END OF PAPER