



# MANICALAND STATE UNIVERSITY OF APPLIED SCIENCES

**FACULTY OF AGRIBUSINESS MANAGEMENT AND APPLIED SOCIAL SCIENCES**

**DEPARTMENT: APPLIED ACCOUNTING SCIENCES**

**MODULE TITLE: CORPORATE GOVERNANCE**

**MODULE CODE: ACCT 224**

**SESSIONAL EXAMINATIONS**

**APRIL 2024**

**DURATION: 3 HOURS**

**EXAMINER: MS C RANGANAYI**

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## INSTRUCTIONS

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1. This paper contains **5** Questions
2. Answer **All** questions
3. Start each question on a new page
4. *Each question carries 20 marks*

**Question 1 [20 Marks]**

a) Briefly explain the following terms and phrases as used in corporate governance.

- i. accountability (2 marks)
- ii. transparency (2 marks)
- iii. agent (2 marks)
- iv. stakeholder (2 marks)
- v. corporate social responsibility (2 marks)

b) Clearly explain the following theories and their relevance to corporate governance:

- i. agency theory (5 marks)
- ii. stakeholder theory (5 marks)

**Question 2 [20 Marks]**

(a) Examine how sound corporate governance can make it more difficult for Micro, Small and Medium Enterprises (MSMEs) in Zimbabwe to fail, clearly explaining what ‘corporate governance’ means in your answer.

(8marks)

(b) Explain any three major roles of the following board committees

- i. Remuneration committee (3 marks)
- ii. Audit committee (3 marks)
- iii. Nomination committee (3 marks)
- iv. Risk committee (3 marks)

**Question 3 [20 Marks]**

a) Explain the difference between.

i. rules-based and principles-based approaches to corporate governance regulations.

(4 marks)

ii. insider and outsider models corporate governance (4 marks)

iii. unitary and two tier board structures (4 marks)

b) Argue against the belief that ‘comply or explain’ approach to corporate governance is ineffective. (8 marks)

**Question 4 [20 Marks]**

(a) Discuss any *four* corporate scandals that led to the development of corporate governance codes worldwide and highlight how the corporate governance issues in these scandals were addressed by codes of the relevant country. (20 marks)

**Question 5 [20 Marks]**

a) Compare and contrasts any *four* requirements of the Sarbanes-Oxley legislation with those of the combined code. (8 marks)

b) Describe in detail any *five* requirements of the Zimbabwean national code of corporate governance (Zim code). (10 marks)

c) Explain any *one* weakness that hinders the implementation and adoption of the Zim code and recommend on how the identified weakness can be addressed (2 mark)

END OF EXAMINATION