

**POST GRADUATE DIPLOMA IN CORPORATE
GOVERNANCE**

Term-End Examination

June, 2011

**MCT-002 : ISSUES AND PRACTICES OF
CORPORATE GOVERNANCE**

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions.

1. (a) Describe the significant factors that have brought about convergence in governance structures all over the world. **10, 10**
(b) Which are the practices relating to governance structures which have become almost universal ? Discuss.
2. Bring out the distinction in the role of governance and management. Also spell out the criteria which may be used to allocate specific goals to the board and the management. **10, 10**
3. Can a non - executive director be equated to an independent director ? Highlight the role of independent directors in corporate governance. **5, 15**

4. For what reasons, the positions of Chairman of the Board and that of the CEO need to be assigned to two separate persons ? What specific tasks need to be assigned to the CEO ? What should be the nature of relationship between the Chairman of the Board and the CEO ? **6, 6, 8**
5. "The multifarious role of the board is designed to guide corporate strategy, achieve adequate return for shareholders, prevent conflict of interests and balancing competing demands". In the light of this statement describe the *role* of the board as well as the *responsibilities* and *liabilities* of directors. **6, 6, 8**
6. (a) Suggest the ways to enhance the usefulness of board committee. **8, 12**
- (b) Which important issues need to be resolved before installing a board evaluation programme ?
7. (a) What is Audit Committee Charter ? **4, 8, 8**
- (b) Describe any five important roles of an Audit Committee .
- (c) Discuss any five types of shareholders' rights recommended by the OECD as essential to achieving better corporate governance.

8. (a) Comment on the various philosophical viewpoints on ethics. 8, 12
- (b) Write a comprehensive note on various principles of professional conduct.
9. "The business of the corporation is benefit the stockholders and powers of directors must be focussed towards that end". While defending this proposition, indicate the reasons for balancing shareholders interests with those of the stakeholders. 20
10. Describe in detail the process of integrity management. 20
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