

00319

**POST GRADUATE DIPLOMA IN CORPORATE
GOVERNANCE**

Term-End Examination

December, 2010

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

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions.

1. (a) What problems do arise from the separation of ownership from management of a company from the stand point of corporate governance ? 10, 10
(b) Why is there a need to separate the position of Chairman of a company from that of the Chief Executive Officer (CEO).

2. (a) Describe the elements that constitute a balanced structure. 14, 6
(b) What distinguishes a Non-Executive Director from an Independent Director ?

3. Write a comprehensive note on "role and responsibilities of the Board of Directors". 20

4. In what ways the effectiveness of board committees may be enhanced ? Which of the board committees are mandatory under clause 49 of the Listing Agreement ? What type of director should preside over such mandatory committees ? 14, 4, 2

5. Objective evaluation of board performance is a challenging assignment. Why ? Discuss the preliminary requirements for board evaluation. 8, 12

6. Why does stress arise ? Describe a comprehensive management strategy in this regard. Also discuss any three stress management techniques. 4, 8, 8

7. "Change is resisted for various reasons". Discuss. Describe the various ways which could be adopted to overcome resistance to change. 8, 12

8. Indicate the various change strategies. Give a detailed description of any of the *two* change strategies. 5, 15

9. Why is integrity considered essential for business firms ? Describe the six pillars of integrity and probity. 5, 15

10. A Board should consist of individuals with personal characteristics and competence such as sense of accountability, focus on integrity, track record of achievements and ability to ask tough questions. They must be financially literate, experienced imbued with leadership qualities and ability to think strategically. Besides, they must show significant degree of commitment to the company, devote adequate time to prepare, attend and participate in the board meetings. Comment on the relevance of all of the aforementioned competencies for selection of board members. In what way training can enhance the competencies of the directors ? 20
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