

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2020-2021 and thereafter)

B.COM. DEGREE EXAMINATION - APRIL 2024
HONOURS
FOURTH SEMESTER

COURSE : MAJOR – CORE
PAPER : CORPORATE GOVERNANCE
SUBJECT CODE : 20BH/MC/CN44
TIME : 3 HOURS **MAX. MARKS: 100**

SECTION – A

Answer all the questions: **(10 x 2 = 20)**

1. Define Corporate Social Responsibility.
2. Explain the concept of the stakeholder relationship in corporate governance.
3. What are Environmental Footprints?
4. What is the role of management structure in ensuring effective corporate governance?
5. State the importance of internal management systems in reporting to stakeholders.
6. Outline the functions of board committees, focusing on their role in corporate governance.
7. Write a note on Corporate Governance in the Banking sector.
8. State the significance of whistleblowing in maintaining corporate governance standards.
9. List two Global Corporate Governance Trends.
10. Write a note on the approach of UK' s Corporate Governance?

SECTION – B

Answer any five questions: **(5 x 8 = 40)**

11. Discuss the regulatory framework of Corporate Governance in Insurance Companies.
12. Explain the need and importance of Corporate Governance.
13. Describe the role of Non-Executive directors in a corporate.
14. Explain Insider Trading, its implication and level of Prohibition.
15. Elucidate the benefits of green governance and its importance in modern corporate practices.
16. Discuss the key changes to the corporate governance code as highlighted by the Financial reporting Council.
17. Evaluate common governance problems observed in corporate failures.

SECTION – C

Answer any one questions: **(1 x 20 = 20)**

18. Explain the approaches to Corporate Governance and evaluate the Principles based approach and the Rule Based Approach.
19. Discuss in detail the concept of Integrated Reporting.
20. Elaborate on the theories and models of corporate governance.

21. Case Study (Compulsory)**(1 x 20 = 20)**

LKJ company is a distributor of electricity in a large country. In effect, LKJ purchases electricity from companies making electricity and the distributes this through a network of cables to companies and private individuals throughout the country. Electricity is generated from a variety of sources including burning coal and natural gas, nuclear power and a small amount from renewal resources such as wind and wave power.

LKJ's shares are owned by three other companies, who take an active interest in the profitability of LKJ. There are three other electricity distribution companies in the country LKJ operates in. The board of LKJ are currently considering the proposal to purchase electricity from another country. This source of supply is quoted as being cheaper from those within LKJ's home country, although the electricity is generated by burning coal. If this supply is taken, LKJ will stop purchasing electricity from an old nuclear power station and some of the expensive wind power plants. The Clean-Earth environmental group has learnt of the proposal and is currently participating in a media campaign in an attempt to block the change by giving LKJ bad publicity.

The board, managers and employees in LKJ appear indifferent, although changing the source of supply will provide a price advantage over LKJ's competitors, effectively guaranteeing their jobs for the next few years.

Required:

- a. Identify the stakeholder groups who will be interested and/or affected by the decision of the LKJ company to change electricity suppliers, evaluating the impact of that decision on the group. **(12 marks)**

- b. Discuss the actions the board can take with respect to each stakeholder group. **(8 marks)**
