Examination Period 3: 2016/17

FINM02417N

Module Title: Corporate Social Responsibility and Governance
Level: Seven
Time Allowed: Two hours plus 15 minutes reading time. Students must not commence answering the questions until the reading time has ended.

Instructions to students:
- Enter your student number not your name on all answer books.
- During the 15 minutes reading time, students are permitted to make notes on the examination paper but not on the answer book. Students should begin answering the questions after the reading time has ended.
- Answer four questions: all questions from Section A and two questions from Section B.
- Begin each question in a separate answer book; label each answer book clearly with the number of the question you are answering.
- The use of calculators is not permitted.
- Only work recorded in the answer books will be assessed.
- Neither books nor notes may be taken into the examination.
- Erasmus/overseas students are permitted take a bilingual dictionary into the examination room but will not be permitted any extra time.
- Students are not permitted to remove this examination paper from the examination room. For all purposes the examination paper remains the property of the University of Northampton.

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Section A

Answer all questions.

Question 1

Explain and discuss what makes good corporate governance practices and explain the role of each of the following governing bodies in maintaining good corporate governance practices.

a. Board of directors
b. Audit committee
c. Internal auditor
d. External auditor

(25 marks)

Question 2

Briefly list and explain the seven principles of the UK Stewardship code. Give examples of how the principles could be used by Institutional Investors.

(25 marks)
Section B

Answer two out of three questions.

Question 3

Discuss the requirements of the UK Code of Corporate Governance with regard to the independence of the company chairman.

(25 marks)

Question 4

Discuss and explain the five components of the COSO internal control framework.
- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

(10 marks)

Explain how an effective internal control system could help in maintaining good corporate governance practices.

(15 marks)

Total: 25 marks

Question 5

Describe the UK statutory requirements for companies to report on social and environmental issues in their annual report and accounts.

(25 marks)