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University Examinations 2023/2024

FIRST YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE DOCTOR OF
PHILOSOPHY IN BUSINESS MANAGEMENT

BBT 6101: CORPORATE LEADERSHIP AND MANAGEMENT

DATE: APRIL 2024

TIME: 3 HOURS

INSTRUCTIONS: Answer question *one* and any other *two* questions

The experience of developed economies of the world has demonstrated a positive marriage of convenience between well-coordinated and managed wealth and economic development. On the other hand, lack of framework to manage wealth continues to plague and plunge many corporate entities in many developing countries of the world and especially in Africa into the vicious circle of liquidation. Majority of the business entities and in particular financial institutions in Africa have been found to lack the ability to manage wealth by effectively developing and encouraging indigenous and foreign investors to stake their capital for reasonable returns. This according to Bhimani (2008) has a direct relationship with the need for an effective and efficient corporate governance practices. Corporate governance according to Sullivan (2000) covers a large number of distinct concepts and phenomena as can be seen from the definition adopted by Organisation for Economic Cooperation and Development (OECD - 2005). By their definition "Corporate governance is the system by which business corporations are directed and controlled". The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders and spells out the rules and procedures for

making decisions in corporate affairs. By doing this, it also provides the structure through which the company's objectives are set, the means of attaining those objectives and the instruments for monitoring performance.

From the aforementioned, it is very clear that corporate governance includes the relationship of a company with its stakeholders and the society; the promotion of fairness, transparency and accountability; reference to mechanisms that are used to "govern" (manage) and to ensure that actions taken are consistent with the interests of key stakeholders groups. The key points of interest in corporate governance according to Young (2003) include issues of transparency and accountability, the legal and regulatory environment, appropriate risk management measures, information flows and the responsibility of senior management and the board of directors.

The corporate governance mechanisms consist of the internal and the external elements. The internal mechanisms and controls refers to measures taken within the organization by the owners and managers of the enterprises aimed at monitoring the activities of organizational players with a view to detecting sources of inefficiencies and taking corrective actions to accomplish organisational goals (Hitt,Ireland & Hoskinson, 1999). These factors relate to the board of directors, the management system and code of ethics. The key issues in board structures which have implications for the quality of corporate governance open to a firm include, whether there are two tier structure; in conglomerates there may be a two tier boards with one board at the divisional (SUB) level and another at the corporate level. Others are the size and composition of the board of memberships, separation of the position of Chairman and Chief Executive Officer (CEO); the presence and the role of independent or otherwise of the audit committee.

QUESTION ONE (24 MARKS)

- a) Critically review the roles of keys stakeholders in corporate governance practices
(12 marks)
- b) Examine the influence of board of directors structure on the governance of corporations
(12 marks)

QUESTION TWO (12 MARKS)

Discuss cardinal objectives of corporate governance in order to attain organizational goals
(12 marks)

QUESTION THREE (12 MARKS)

Prudent Corporate Governance practices is guided by some key principles. Appreciate these principles and show how they contribute to wealth creation for the investors. (12 marks)

QUESTION FOUR (12 MARKS)

Early research in 1930's have shown that certain traits differentiated effective leaders from non-leaders in the management of corporations. Describe 6 traits that is said to be indicators of an effective business leaders in this model. What were the weaknesses of this model? (12 marks)

QUESTION FIVE (12 MARKS)

Appraise the contemporary issues in business leadership and their contribution to the growth and development of an organization. (12 marks)