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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR FOUR**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 484**

**COURSE TITLE: CORPORATE GOVENANCE AND SOCIAL RESPONSIBILITY**

**EXAMINATION DURATION: 2 HOURS**

**DATE: 17/08/2021 TIME: 3.00-5.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of THREE (3) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

**CASE STUDY**

Coca-Cola Kenya being one of the largest beverage companies in kenya, realized that CSR had to be an integral part of its corporate agenda. According to the company, it was aware of the environmental, social, and economic impact caused by a business of its scale and therefore it had decided to implement a wide range of initiatives to improve the quality of life of its customers, the workforce, and society at large. However, the company came in for severe criticism from activists and environmental experts who charged it with depleting groundwater resources in the areas in which its bottling plants were located, thereby affecting the livelihood of poor farmers, dumping toxic and hazardous waste materials near its bottling facilities, and discharging waste water into the agricultural lands of farmers. Moreover, its allegedly unethical business practices in developing countries led to its becoming one of the most boycotted companies in the world. Notwithstanding the criticisms, the company continued to champion various initiatives such as rainwater harvesting, restoring groundwater resources, going in for sustainable packaging and recycling, and serving the communities where it operated. Coca-Cola planned to become water neutral in Kenya by 2009 as part of its global strategy of achieving water neutrality. However, criticism against the company refused to die down. Critics felt that Coca-Cola was spending millions of dollars to project a 'green' and 'environment-friendly' image of it, while failing to make any change in its operations. They said this was an attempt at green washing as Coca-Cola's business practices in Kenya had tarnished its brand image not only in Kenya but also globally. The case discusses the likely challenges for Coca-Cola Kenya as it prepares to implement its new CSR strategy in the country.

1. Understand the issues and challenges faced by Coca-Cola with regard to its sustainability initiatives in Kenya (6marks)
2. Analyze the underlying reasons for the growing criticism against Coca-Cola in In Kenya and explore ways in which the company can address this issue (8marks)
3. Explain corporate social responsibility practices that coca cola company fail to put into a place. (6marks)
4. The company management decided to form a taskforce to established the ethical issues that the company ignored, as a member of the panel suggest possible ethical considerations that should be included in the report. (10marks)

**QUESTION TWO**

1. Discuss the Principles of risk management in regard to corporate governance (10marks)
2. Describe the main challenges facing CSR programs in Kenya (10marks**)**

**QUESTION THREE**

1. Explain the reasons as to why many corporations decide to engage in social Responsibility projects (6marks)
2. Discuss the main components of a good corporate compliance program (8marks)
3. Briefly write short notes on the following theories
   * 1. Agency Theory: (3marks)
     2. Shareholder theory: (3marks)

**QUESTION FOUR**

1. Discuss the reasons as to why we need ethics in the corporate world (4marks)
2. Using relevant examples, Discuss the most common unethical practices observed in Kenyan corporate world (5marks)
3. You have been elected as the chairman of the Board in XYZ Corporation, state and discuss your duties. (6marks)
4. Discuss the main challenges often faced by the Board of Directors (5marks)

**QUESTION FIVE**

1. Using relevant examples differentiate between corporate governance and social responsibility. (4marks)
2. Describe three Pillars of corporate governance, (6marks)
3. Highlight the main responsibilities of the Board of Directors in regard to corporate Governance (10marks)