



UNIVERSITY OF KELANIYA – SRI LANKA

Centre for Distance and Continuing Education

Faculty of Commerce & Management Studies

Bachelor of Commerce (Special) Degree Fourth Year Examination (External) – 2021
August - 2024

BCOM E 4082 - Corporate Ethics & Governance

No. of Questions : Four (04)

Time: 02 hours

Answer all questions.

Question No. 01

ABC Industries is a mid-sized manufacturing company specializing in consumer electronics. The company is at a crossroads, trying to redefine its business strategy in response to rapid changes in the global economy. The CEO has noticed growing internal debates about the fundamental purpose of the business and how it should operate within the framework of free markets.

Problem Statement: As a strategic advisor, you have been asked to lead a discussion with the company's executive team on the following questions.

- a) Explain the meaning of a business and state its goals.
(05 Marks)
- b) Briefly explain four types that a business can be classified by using examples.
(05 Marks)
- c) Briefly explain the relationship of the free market with capitalism and the financial market.
(05 Marks)
- d) Explain the advantages and disadvantages ABC industries can achieve by operating in a free market system.
(10 Marks)

(Total 25 Marks)

Question No. 02

- a). Describe the role of the board of directors in corporate governance. (06 Marks)
- b). List down the qualifications required to be an executive director. (07 Marks)
- c). Explain the institutions, rules, regulations and primary activities required in corporate governance s standards preparation process. (12 Marks)
- (Total 25 Marks)**

Question No. 03

- a). Name the basic principles required of a professional accountant. (06 Marks)
- b). "Various circumstances can threaten a professional accountant's adherence to basic principles". Explain the three ways how these threats can be avoided and mitigated. (07 Marks)
- c). Explain the importance of having regulations to monitor listed companies in the Colombo Stock Exchange. (12 Marks)
- (Total 25 Marks)**

Question No. 04

Write short notes.

- a). Offer to contribute and offer to sell.
- b). Acquisition or release of a company stocks
- c). Acquisition and Integration Code
- d). Voluntary allowance and compulsory allowance
- e). Conflicts of interest

(05x 05 = **Total 25 Marks**)