



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING BANKING AND FINANCE

THIRD YEAR SPECIAL/ SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF ECONOMICS

EAE 314: FINANCIAL ETHICS

DATE:

TIME:

INSTRUCTIONS:

Answer question one and any other two questions.

QUESTION ONE (30 MARKS)

- a) Discuss the benefits of corporate governance corporations in Kenya. (10 marks)
- b) Explain the five roles of company secretary. (10 marks)
- c) Discuss five causes agency conflict between management and firm owners. (10 marks)

QUESTION TWO (20 MARKS)

- a) Explain five factors that have led to adoption of social corporate responsibility practices in companies operating in developing countries. (10 marks)
- b) Discuss the benefits that accrue to corporations that adopt corporate social responsibility. (10 marks)

QUESTION THREE (20 MARKS)

Identify and explain four theories on corporate governance.

QUESTION FOUR (20 MARKS)

- a) Differentiate between Deontological and Teleological approaches of ethics. (5 marks)
- b) Justify the importance of fundamental principles on financial profession. (5 marks)
- c) Examine the five strengths of absolutism approaches. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Argue the case for adoption of financial ethics in capital markets in Kenya. (10 marks)
- b) Discuss the five remedies for rogue trading in investment banks. (10 marks)