

CORPORATE GOVERNANCE (2013)

Assistant Professor Alexandra Middleton

1ST EXAM

Dictionary or any other materials are not allowed in the exam. Please, answer all questions.

Questions based on Alexandra Middleton's lectures.

1. This question is composed of two parts (14 points):
 - a) In the context of Corporate Governance, please, provide brief definitions, explanations or your understanding (when appropriate) of the following concepts, terms (8 points):
 - Stewardship theory
 - The Sarbanes-Oxley Act and its components
 - Real earnings management from Cohen et al. (2008)
 - Endogeneity problem in corporate governance
 - Business judgment rule
 - List corporate governance monitors outside the firm
 - Systemic risk
 - Independent director
 - b) Describe, in a nutshell, the most important board characteristics. Support your argument, when appropriate, by research findings discussed during lectures. (6 points).
2. Discuss different types of corporate governance systems. Provide examples of corporate governance convergence worldwide. Limit your answer to max. 2 pages. (12 points).

Question based on Henrik Nilsson's lectures.

3. According to Agency theory, low incentives and/or poor monitoring can result in self-serving managerial actions. Exemplify and discuss five different types of self-serving managerial actions. (12 points).