

CORPORATE GOVERNANCE 721128S 6 ECTS

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2nd EXAM 23 January 2014

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 (max 14 points)
 - a) Please provide **brief** definitions, explanations or your understanding (when appropriate) of the following concepts, terms (max 8 points):

Overconfident manager

Corporate governance

Identify two solutions to agency problem

Identify the consequences of gender quota enforcement for boards in Norway according to study by Ahern and Dittmar (2010)

List implications of free cash flow problem

Common law countries

Identify the role of CFO in accounting manipulations. In your discussion refer to the results of study by Feng et al. (2011)

Comply or explain principle

- b) Discuss the most common committees of board of directors and their responsibilities and functions. (max 6 points)
2. Elaborate on the role of institutional investors and shareholders activism in corporate governance. What types of shareholder activism exist? Limit your answer to max. 2 pages. (max 12 points).

Question based on Henrik Nilsson's lectures.

3. Define the term 'insider trading'. When is insider trading legal and when is it illegal (exemplify)? What factors drive insider trading according to recent research that was discussed during class. (max 12 points)