

CORPORATE GOVERNANCE (2014)

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Dictionary or any other materials **are not allowed** in the exam.

3rd Exam, 26.2.2015

Prof. Kallunki's lectures:

1. Below you will find six statements. Answer whether they are true or false [correct answer = 2p., wrong answer = -2p., no answer = 0p. Min: 0p., max: 12p.]
 - a) Audit committee's duties include monitoring the reporting process of financial statements.
 - b) CEO of the company is often a chairperson of the nomination committee.
 - c) Insiders' use of long-term private information such as that related to corporate strategy is illegal use of insider information.
 - d) There is research evidence showing that auditors with criminal convictions engage in high-risk audits and charge higher audit fees after controlling for other audit-risk variables.
 - e) There is research evidence showing that CFOs become involved in accounting manipulations under pressure from CEOs, rather than doing such manipulations for immediate personal financial gain.
 - f) Empire building means that the board of the firm contains many committees.
2. What does the so-called free-rider problem mean? [6p.]

Prof. Nilsson's lectures:

3. Present the main arguments in favour and against investing in firms with high CSR performance. [6p]