

**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD**  
*(Department of Business Administration)*

**CORPORATE GOVERNANCE (5017/8225)**

**SEMESTER: SPRING, 2024**

**CHECKLIST**

This packet comprises the following material:

1. Textbook
2. Assignment No. 1 & 2
3. Assignment Forms (two sets)
4. Course Outline

In this packet, if you find anything missing from the above-mentioned material, please contact us at the address given below: -

**The Mailing Officer**

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## ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD

### WARNING

1. PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM THE AWARD OF DEGREE/CERTIFICATE IF FOUND AT ANY STAGE.
2. SUBMITTING ASSIGNMENT(S) BORROWED OR STOLEN FROM OTHER(S) AS ONE'S OWN, WILL BE PENALIZED AS DEFINED IN "AIOU PLAGIARISM POLICY".

Course: Corporate Governance (5017/8225)  
Level: BBA/MSc Administrative Sciences

Semester: Spring, 2024

**Please read the following instructions for writing your assignments.**

**(AD, BS, BEd, MA/MSc, MEd) (ODL Mode)**

1. All questions are compulsory and carry equal marks but within a question, the marks are distributed according to its requirements.
2. Read the question carefully and then answer it according to the requirements of the question.
3. Avoid irrelevant discussion/information and reproducing from books, study guide or allied material.
4. Hand written scanned assignments are not acceptable.
5. Upload you typed (in Word or PDF format) assignments on or before the due date.
6. Your own analysis and synthesis will be appreciated.
7. Late assignments can't be uploaded at LMS.
8. The students who attempt their assignments in Urdu/Arabic may upload a scanned copy of their hand written assignments (in PDF format) on University LMS. The size of the file should not exceed 5 MB.

### **Instructions:**

- a) All written assignments must be well organized, presented in an easy-to-read format and neat. Moreover, pay particularly close attention to grammar, spelling, and punctuation understandability. Communication is extremely important in this course.
- b) Documentation is likewise very important. Unsupported statements or opinions are worth less to the reader, who desires to verify your finding. Complete specific documentation is mandatory. Also, your references should be to prima sources, except in rare unusual situations.
- c) Quoting should be kept to an absolute minimum.

### **Guidelines for Doing Assignments**

We expect you to answer each question as per instructions in the assignment. You will find it useful to keep the following points in mind:

- 1) **Planning:** Read the assignments carefully, and go through the Units on which they are based. Make some points regarding each question and then rearrange them in logical order.
- 2) **Organization:** Be a little selective and analytical before drawing up a rough outline of your answer. Give adequate attention to the question's introduction and conclusion.  
Make sure that:
  - a) The answer is logical and coherent,
  - b) It has clear connections between sentences and paragraphs,
  - c) The presentation is correct in your expression and style.
- 3) **Presentation:** Once you are satisfied with your answer, you can write down the final version for submission. It is mandatory to write all assignments neatly. If you desire so, you may underline the points you wish to emphasize. Make sure that the answer is within the stipulated word limit.  
Wishing you all the best

### **ASSIGNMENT No. 1**

**Total Marks: 100**

**Pass Marks: 50**

Q. 1	Describe the scope of corporate governance beyond financial performance. What are the different aspects and areas that fall under its purview?	<b>20</b>
Q. 2	How does stewardship theory promote a positive relationship between managers and shareholders? Provide an example of how this theory can enhance decision-making within an organization.	<b>20</b>
Q. 3	Explain the role of shareholders as stewards of the company. How can shareholder activism be a mechanism for enforcing responsible behaviour within a company?	<b>20</b>
Q. 4	Discuss the role of legislation and regulations in shaping corporate governance practices. How do legal frameworks ensure transparency, accountability, and ethical behaviour within companies?	<b>20</b>
Q. 5	Investigate the importance of governance reports in enhancing transparency and accountability. How do these reports provide valuable insights to stakeholders and the general public about a company's governance practices?	<b>20</b>

## ASSIGNMENT No. 2

Total Marks: 100

Pass Marks: 50

Q. 1	Explain the role of the board in overseeing the company's performance and holding management accountable. What mechanisms does the board use to ensure alignment with shareholder interests?	20
Q. 2	Discuss the concept of delegating certain board functions to management. What are the advantages and potential drawbacks of this delegation? How can the board ensure effective oversight in such cases?	20
Q. 3	Analyse the impact of global financial crises on the perception of corporate risk management. How have these crises led to an increased emphasis on identifying and managing risks within companies?	20
Q. 4	In a technology-driven era, how can an audit committee innovate its approach to risk management, cybersecurity, and data privacy, ensuring alignment with the digital landscape?	20
Q. 5	Compare and contrast the governance requirements for companies listed on traditional stock exchanges and those listed on alternative stock markets. How do these requirements affect companies' governance practices?	20

### Corporate Governance (Code # 5017) Course Outline

#### Block-1: Introduction to Governance

- Introduction
- Corporate governance
- Definitions and importance of corporate governance
- Reputation, competition and corporate governance
- Corporate ethics
- The pillars of corporate governance
- Corporate governance and corporate responsibility
- Transparency
- Equal treatment of stakeholders
- Protection of minority shareholders
- Accountability
- Globalization and corporate governance

#### Block-2: Employment Laws

- Wages and holidays
- Workplace safety and protection
- Human rights
- Harassment

**Block-3: Models & Mechanisms**

- Objectives
- Introduction
- Models of corporate governance
- Mechanisms of corporate governance

**Block-4: Shareholders & Stakeholders**

- Introduction
- Shareholder rights
- Equitable treatment
- Responsibilities of shareholders
- Minority shareholders' protection
- Stakeholder protection

**Block-5: Board of Directors**

- Introduction
- Structure and independence of the board
- Responsibilities and duties of the board
- Selection, remuneration and evaluation of the board
- Board committees
- The board and the management

**Block-6: Audit Committee**

- Introduction
- Organization of audit committee
- Responsibilities of the audit committee
- Working with auditors and management
- Disclosures and Reporting
- The audit committee of the board of directors
- Global best practices of audit committees
- Implementing best practices

**Financial Institutions - Corporate Governance**

- Introduction
- Sound corporate governance practices in financial institutions
- The role of public disclosure
- Supervisors and transparency
- Recommendations for enhancing financial institution`s transparency
- Supportive environment for corporate governance

**Block-7: Corporate Scandals, & Best Practices**

- Introduction
- General Motors
- American Express
- Enron
- WorldCom
- Infosys Technologies
- Sony
- Bad corporate practices
- Best corporate practices

**Block-8: Reducing the Risks**

- Before appointment
- Avoiding liability
- Indemnification
- Indemnity Agreement (Corporate)
- Indemnity Agreement (Third Party)
- Indemnity Bylaw
- Insurance
- Directors and Officers Liability Policy
- Company Reimbursement Policy

**Commerce**

- Overview
- Web sites
- E-mail
- E-business
- Secured transactions
- Copyright

**Block-9: Environmental Laws**

- Overview
- Environmental laws
- Environmental assessment
- Environmental audits

## **RECOMMENDED BOOKS**

- 1) Governance Networks in Public Administration and Public Policy / Edition 1 by Christopher Koliba, Jack W. Meek, Asim Zia, Publisher: Taylor & Francis, latest edition
- 2) Corporate Governance: International Edition, John R. Nofsinger, Kenneth A. Kim, ISBN: 013128732X, Publisher: Prentice Hall, latest edition
- 3) Corporate Governance by Robert A. G. Monks and Nell Minow, ISBN-10: 1405171065, Publisher: Prentice Hall, latest edition
- 4) Blair, Margaret M., Ownership and Control: Rethinking Corporate Governance for the Twenty-first Century. Publisher: McGraw Hill, latest edition
- 5) Charkham, Jonathan, Keeping Good Company: A Study of Corporate Governance in Five Countries. Publisher: Prentice Hall, latest edition