Questions for Master Exam: JEM100 Corporate Governance

Okruhy otázek státní zkoušky z JEM100 Corporate Governance

1. The system of corporate governance is often described as an instrument to reduce costs of incomplete contracts in separation of ownership and control that prevail between shareholders and management. Explain the nature of this “incompleteness” and provide a theoretical basis for it.

2. Differences of two main corporate governance concepts: shareholder and stakeholder one. Explain their underpinnings and show their consequences in the ownership patterns prevalent in the US on one side and continental Europe on the other.

3. Differences in Corporate Governance in continental and Anglo-Saxon countries (corporate structure, legal background) – German, French and US (UK) approach

4. Codices of Corporate Governance - OECD Principles of Corporate Governance (history, development, implications)

5. Corporate Governance in the Czech Republic (cases, general conclusions about transition countries)

6. Takeovers, mergers and acquisitions (poison pills, white knights, multiple voting rights etc.)

7. Private vs. Public Ownership (government ownership of banks, private ownership and corporate performance: Some Lessons from Transition Countries)

8. Tunnelling (developed vs. developing countries, cases, lessons learned)

9. Transition and Corporate Governance (privatization and corporate governance, privatization process in East-Central Europe)

10. In the 1990’s, the stock option plans for top managers were seen as an instrument aligning interests of shareholders and the management, thus solving most of the corporate governance issues. Explain why this hope has failed.

11. Corporate Governance in case of market exit: Insolvency and bankruptcy proceeding, restructuring. Describe and explain the changes of motivation of stakeholders and their impacts on corporate governance of the exiting company

12. Corporate Governance in state-controlled companies: Describe specific motivitation of stakeholder groups in a state-controlled company; identify the difference between CG of a state-controlled company and private-owned (based on examples and/or OECD principles of CG in state-owned companies)

13. Changes brought to the Corporate Governance by the global financial crisis at the end of first decade of the twenty-first century (e.g. too-big-to-fail problems – Fortis Bank, remuneration system failures – AIG, failures of control mechanisms – both formal – auditors – and informal – rating agencies, etc.)

14. Lessons from Corporate Governance to Public Governance: Public Procurement – evaluate the incentives of stakeholders in the process, describe the possible pitfalls in the process (such as presence of asymmetric information, moral hazard, etc.)

15. Corporate Governance failures: Provide and overview of CG failures and the ways, how these failures can be reduced or eliminated (e.g. asymmetric information – transparency and disclosure rules); state, how would the failures and solutions differ in case of public institution and state-controlled companies

February 2010