

CHARTERED INSTITUTE OF TAXATION, GHANA

PROFESSIONAL EXAMINATION

FEBRUARY, 2020

PROFESSIONAL LEVEL

PAPER 6-STRATEGY AND GOVERNANCE

TIME ALLOWED: THREE HOURS. ANSWER ALL QUESTIONS

QUESTION 1

In recent times, the Banking Industry of Ghana has experienced some form of Bank failures and collapse. Notable amongst the commentaries, are weak and bad corporate governance systems.

Required:

- a. What is Corporate Governance? **(2 marks)**
- b. What is the role of Personal Governance in Corporate Governance? **(2 marks)**
- c. Discuss and recommend four (4) Corporate Governance issues and the strategies that the management could have adopted to avert the banks' failure. **(16 marks)**

TOTAL 20 MARKS

QUESTION 2

In badly led boards, personalities and political maneuvering can prevail and directors can “play games”.

Required:

- a. Discuss these potential problems associated with the strategic roles and responsibilities of boards and directors in corporate governance of a listed company. **(12 marks)**
- b. Distinguish between cross directorships and alternate directorships **(4 marks)**
- c. Distinguish between a Unitary and Two tier Boards **(4 marks)**

TOTAL 20 MARKS

QUESTION 3

As the company secretary to Akorvy Company Limited, you have been tasked to lead a discussion at the Annual General Meeting (AGM) on four (4) major alternative strategies that your organization may implement in order to change its declining situation.

Required:

- a. Explain the importance of strategy management to corporate organization (4 marks)
- b. Prepare a presentation outlining the four (4) major alternative strategies at the AGM as requested above. (16 marks)

TOTAL 20 MARKS

QUESTION 4

Pampam Company Limited has recently undergone an extensive re-branding exercise and a new website has been created. As the Director of Human Resource, you have been tasked to recruit four (4) additional staff externally. You have raised concerns about recruiting externally.

Required:

- a) Draft a brief note for the chair raising your concerns. Support these with the following:
- b) What is Human Resource Management? (2 marks)
- c) State and explain five (5) significance of Human Resource Planning to an organization. (10 marks)
- d) Explain the two (2) advantages and two (2) disadvantages of employee recruitment externally. (8 marks)

TOTAL 20 MARKS

QUESTION 5

A large retail organization has been experiencing increased competition from various sources and has decided to pursue a cost leadership (low-cost) strategy.

Required:

- a. Outline what is meant by a cost leadership strategy. (6 marks)
- b. Explain four consequences of this strategy for organizations. (12 marks)
- c. What is a competitive advantage in strategy? (2 marks)

TOTAL 20 MARKS

END OF PAPER