GRETSA UNIVERSITY – THIKA

UNIVERSITY EXAMINATIONS

JANUARY – APRIL 2026 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BPAG 105

COURSE TITLE: GOVRNANCE AND ETHICS PRINCIPLES

DATE: APRIL 2026 **TIME: 2 HOURS**

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY.**
2. SECTION B: ANSWER ANY OTHER **TWO** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period*

SECTION A: COMPULSORY (30 MARKS)

QUESTION ONE (30 MARKS)

a) Ethics and governance are increasingly viewed as strategic issues rather than merely compliance requirements. Explain the meaning, nature, and scope of ethics and governance and discuss their importance in modern organizations. **[10 Marks]**

b) Organizations often face ethical dilemmas that require structured decision-making. Discuss ethical decision-making models and analyze how individual and organizational factors influence ethical behaviour. **[10 Marks]**

c) Explain the relationship between organizational culture and ethical climate. **[5 Marks]**

d) Briefly discuss the role of accountability and transparency in promoting good governance. **[5 Marks]**

SECTION B: ANSWER ANY TWO QUESTIONS (20 MARKS EACH)

QUESTION TWO (20 MARKS)

a) Ethical theories provide different lenses for judging right and wrong. Critically discuss utilitarianism, deontology, and virtue ethics, showing how each can be applied in organizational decision-making. **[10 Marks]**

b) Evaluate the relevance of justice and rights-based theories in managing ethical issues in organizations. **[10 Marks]**

QUESTION THREE (20 MARKS)

a) Leaders play a central role in shaping ethical behaviour in organizations. Discuss the concept of ethical leadership and analyze how power, influence, and responsibility should be exercised with integrity. **[10 Marks]**

b) Examine the role of codes of conduct and ethics training in building and sustaining ethical cultures. **[10 Marks]**

QUESTION FOUR (20 MARKS)

a) Corporate governance is concerned with how organizations are directed and controlled. Discuss the objectives and principles of good corporate governance and evaluate their relevance in public and private sector organizations. **[10 Marks]**

b) Analyze the roles of the board of directors, management, and key committees in ensuring effective governance. **[10 Marks]**

QUESTION FIVE (20 MARKS)

a) Accountability, transparency, and control are core pillars of good governance.
Discuss the mechanisms used by organizations to promote accountability and transparency, including internal controls and audits. **[10 Marks]**

b) Corporate scandals have highlighted the close relationship between ethics, law, and regulation. Discuss this relationship and explain the legal and ethical responsibilities of organizations**.** **[10 Marks]**