



FINAL EXAMINATION
BACHELOR OF ACCOUNTANCY (HONOURS)

**COURSE : CORPORATE GOVERNANCE AND
BUSINESS ETHICS**

COURSE CODE : CGE4013

DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **FOUR (4)** questions.
2. Answer **ALL** questions in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
4. Do not bring any material into the examination hall. The use of a calculator is allowed.
5. Please write your answer using permanent ink.

MYKAD/ PASSPORT NO : _____
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LECTURER : _____
SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

This question paper consists of 6 printed pages including the front page

QUESTION 1

Extract adapted from Rosly, Shafie & Ishak (2024):

"Timeliness of financial reporting is considered an important attribute of reporting quality. Corporate governance mechanisms such as board independence, board size and audit committee characteristics influence how quickly financial statements are released. However, prior studies show mixed findings. For example, a larger board may provide diverse expertise that improves monitoring, but may also slow decision-making. Similarly, audit committee financial expertise and frequent meetings are associated with timely reporting."

Required:

- a. Demonstrate **TWO (2)** importance of financial reporting timeliness in corporate governance.
(5 marks)
- b. Based on the extract, illustrate how **TWO (2)** corporate governance mechanisms influence the timeliness of financial reporting.
(10 marks)
- c. Suggest **ONE (1)** reason why findings on board size and audit committee effectiveness may be inconsistent across studies.
(5 marks)
- d. As a director, present **TWO (2)** actions to ensure timely reporting without reducing reporting quality.
(5 marks)

(Total: 25 marks)

QUESTION 2

Below is a sustainability framework used by IKEA known as “*IKEA People & Planet Positive Strategy*”.

Figure 1: People & Planet Positive

(Source: IKEA Sustainability Report)

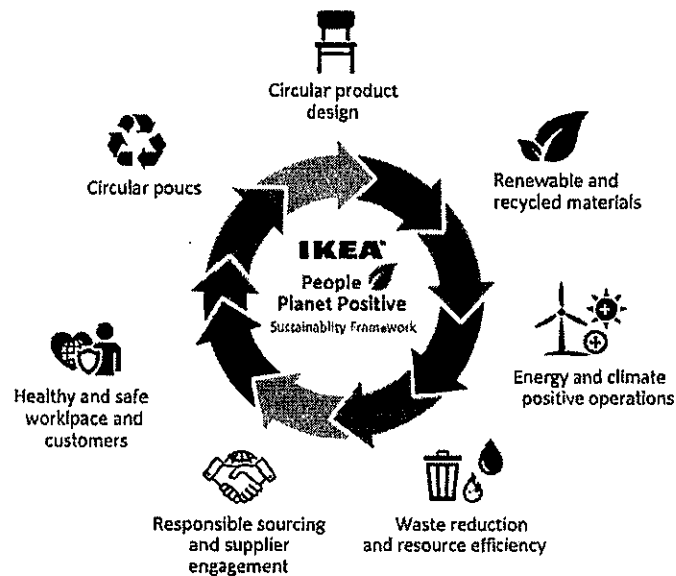


Figure 1: IKEA People & Planet Positive Sustainability Framework

(Source: IKEA Sustainability Report)

The framework focuses on:

- Circular product design
- Renewable and recycled materials
- Energy and climate positive operations
- Waste reduction and resource efficiency
- Responsible sourcing and supplier engagement
- Healthy and safe workplace for employees and customers

Required:

- a. Demonstrate **FIVE (5)** benefits IKEA gains from implementing this sustainability framework.
(10 marks)
- b. A local company, HijauRide Sdn Bhd, produces electric scooters in Batu Pahat, Johor. After reviewing several sustainability models, they decide to adopt IKEA's sustainability approach. However, they do not know how to implement it. The Chief Executive Officer (CEO) approaches you for assistance.

Required:

- i. Prepare a sustainability framework suitable for HijauRide Sdn Bhd based on IKEA's model.
(5 marks)
- ii. Illustrate how HijauRide Sdn Bhd can achieve each component of the sustainability framework proposed in (i).
(10 marks)

(Total: 25 marks)

QUESTION 3

Case: Dismissal of a Deaf Employee at Pizza Hut Malaysia

In 2020, a deaf employee who had worked for several years at Pizza Hut Malaysia was dismissed from his job after management claimed that he could not communicate effectively with team members during busy hours.

The employee had been hired with full knowledge of his hearing impairment. For years, he performed well by using basic sign language, written notes, and assistance from colleagues. However, after a change in branch management, the new manager viewed his condition as a "burden" to operations and argued that other staff had to "work extra" to accommodate him. Instead of providing simple accommodations such as communication cards, visual task boards, or basic sign language training for staff, the manager terminated his employment, citing "operational inefficiency".

The case attracted attention from disability rights advocates who argued that the employer failed to understand the concept of reasonable accommodation as required under the Akta Orang Kurang Upaya 2008 and principles of workplace equality.

(Source: Reported by Malaysian disability advocacy groups and local news coverage on workplace inclusion (2020).

Required:

- a. Using the justice argument, argue whether Pizza Hut Malaysia acted ethically in dismissing the deaf employee.
(10 marks)
 - b. Discrimination in the workplace can be subtle and unintentional.
 - i. Explain **FOUR (4)** categories of discriminatory actions in employment.
(12 marks)
 - ii. Based on your answer in (b)(i), categorise the discriminatory action(s) that occurred in this case and justify your answer.
(3 marks)
- (Total: 25 marks)

QUESTION 4

A charitable home known as Yayasan Cahaya Kasih is officially registered with the Jabatan Kebajikan Masyarakat Malaysia. The foundation was established by the twins, Upin & Ipin, using part of their inheritance amounting to RM18 million. RM6 million was channelled into setting up the home to care for abandoned and underprivileged children.

Today, the Yayasan provides shelter for 18 children and is supported by carers, a nurse, a visiting doctor, and administrative staff. Its reputation for good care has attracted continuous public donations. Recently, the Yayasan formalised cooperation with JKM through an agreement to accept abandoned newborns from government hospitals.

Upin is responsible for handling the financial records of the Yayasan, while Ipin manages donor relations and external affairs. During a routine review of the accounts, Upin noticed an unusual entry amounting to RM520,000 recorded under the description "Special Reserve Allocation." When he sought clarification from Ipin, he was told that the money was kept aside for future expansion plans of the Yayasan.

However, Upin later realised that:

- i. No formal discussion or approval was documented in any meeting records,
- ii. The external auditor had no knowledge of this allocation,
- iii. The transaction did not follow the Yayasan's usual financial control procedures.

Upin begins to suspect that the fund may not have been used for the Yayasan's intended purposes. At the same time, he feels torn. He relies on this position to support Opah's ongoing medical treatment, and he knows that the children and staff are genuinely well cared for. Should Upin remain silent about what he has discovered?

Required:

- a. Explain how Upin should respond to the RM520,000 issue based on:
 - i. Agent-centred deontology theory (6 marks)
 - ii. Patient-centred deontological theory (6 marks)
- b. Predict Upin's most appropriate course of action according to the concept of practical wisdom. (5 marks)
- c. Explain **FOUR (4)** ways deontological theory applies to the ethical issues in the above case. (8 marks)

(Total: 25 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER