

International Corporate Governance Exam
January 12, 2017
Exam time: 4 hours

Maximum score is 70 points. Minimum required to pass the exam is 35 points. Avoid answers beyond two pages. Please write as clearly as possible.

1. Briefly discuss the five sources of the shareholder-manager conflicts. [Please underline each source. Source: lecture slides]

(10p)

2. Brav et al. (2008) analyze shareholder activism by hedge funds. Discuss characteristics of firms targeted by such activist shareholders and the performance consequences for target firms.

(25p)

3. Describe the ten legal strategies (both regulatory and governance strategies) for reducing agency costs. [Please underline each strategy. Source: lecture slides]

(20p)

4. Discuss the gains firms can obtain from political connections. How do political connections affect firm value according to Faccio (2006)?

(15p)

Good luck!