

## **FIN2601: Ethics and the Agency Problem**

Herewith a series of thought-provoking questions to aid you in thinking out of the box on matters that face businesses globally on a regular basis. If done properly, it will essentially summarise what you should have covered in Chapter 1 of your textbook.

- 1) Identify 5 types of unethical practices commonly found in business.
- 2) What would be the impact on the share price of a listed entity should it be found to be engaging in unethical practices such as bribery, or window-dressing?
- 3) How would you, as a Company CEO, strive to attain high ethical standards within your company? Think in terms of the various departments such as human resources, finance, procurement, logistics, etc.
- 4) Discuss the different forms of the agency problem, and how they can be mitigated?
- 5) How is the agency problem linked to ethics?
- 6) Give at least 4 examples of companies which have encountered scandals as a result of their ethics or agency issues, and briefly describe what happened.