

Continuing Legal Education
Comprehension Quiz
For
“Corporate Governance”

Neal Shover – Corporate Governance and Corporate Crime

1. What is the label given to a mix of structural and procedural changes put in place by corporate firms to prevent loss to shareholders and investors caused by distracted, overly confident, and self-interested management?
 - A. Firm governance
 - B. Corporate governance
 - C. Procedural governance
 - D. None of the above

2. What examples of reforms does Shover give that have been put in place to create change in corporate governance?
 - A. Changes in the composition of boards of directors to make them more responsive to owners
 - B. Compensation schemes for managers to reduce the likelihood to act in a self-interested way
 - C. Self-monitoring systems
 - D. All of the above

3. What theory places an emphasis on a criminal’s mental process in choosing a criminal option or a non-criminal option?
 - A. Criminal intent theory
 - B. Balanced options theory
 - C. Rational choice theory
 - D. None of the above

4. What variables does Shover use to explain variations in rates of crime in one another to another?
 - A. Supply of criminal opportunities is not constant
 - B. Size of the pool of individuals or organizations who are ready to exploit criminal opportunities at any given time
 - C. prevailing beliefs about credibility of oversight
 - D. All of the above

5. What is the theory that describes the idea that if small crimes go unpunished, then that leads to larger crimes being committed?
 - A. Broken windows theory
 - B. Punishment theory
 - C. Both A & B
 - D. None of the above

6. Does rational choice theory emphasize that criminals must be shown that their decisions have consequences?
- A. Yes
 - B. No
7. White collar crimes are crimes that are committed by using deceit or misrepresentations to present or create a situation that can be exploited illegally.
- A. Yes
 - B. No
8. Corporate crime is the type of white collar crime that consists of punishable acts that involve the use of an offender's position of significant power, influence or trust in a corporate entity for the purpose of organizational gain.
- A. False
 - B. True
9. Which of the following are reasons why command and control regulations don't work for controlling corporate crime?
- A. Presented business firms with inflexible requirements
 - B. Threatened them with penalties if they did not comply
 - C. Did not take into account the reasons that lay behind misconduct
 - D. One-size-fits-all solution
 - E. All of the above
10. Enforced self-regulation is the term for the alternative to command and control regulation which describes the notion that instead of state actors overseeing corporate entities directly, shift the burden for compliance assurance to the firm, make them put in place procedures for ensuring compliance, and state actors will just look at what they've done to make sure that compliance occurs.
- A. True
 - B. False
11. What are some obstacles to corporate governance?
- A. Emphasis on economic relationships rather than moral and legal ones (needs to include recognition that crime occurs)
 - B. Moral gap between how crime is committed by discreditable citizens and how crime is committed by creditable, respectable, and privileged citizens do
 - C. Both A & B
 - D. None of the above

UT CLE - "Corporate Governance"

CONGRATULATIONS!!!

You have completed the exercise.

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