23 INVESTORS & OTHER STAKEHOLDERS

1. The interests of community groups affected by a company's operations are most likely to be considered in corporate governance under:
   (A) special interest theory.
   (B) shareholder theory.
   (C) stakeholder theory.

2. The stakeholder theory of corporate governance is primarily focused on:
   (A) increasing the value, a company.
   (B) resolving the competing interests of those who manage companies and other groups affected by a company's actions.
   (C) the interests of various stakeholders rather than the interests of shareholders.

3. Increasing a company's risk exposure in an effort to increase its growth rate is most likely to be favoured by:
   (A) owners but not lenders.
   (B) neither lenders nor owners.
   (C) both lenders and owners.

4. The stakeholder group that typically prefers the greatest amount of business risk is:
   (A) directors.
   (B) shareholders.
   (C) senior managers.

5. Under shareholder theory, corporate governance is most concerned with managing conflicts of interest between the firm's managers and its:
   (A) employees.
   (B) customers.
   (C) owners.

6. The stakeholders of a company that are least likely to prefer a relatively riskier company strategy that has the potential for superior company performance are:
   (A) creditors.
   (B) suppliers.
   (C) shareholders.

7. Which of the following payments are contractual obligations of a corporation?
   (A) Interest, principal, and preferred stock dividend payments.
   (B) Interest and principal payments.
   (C) Interest and common stock dividend payments