

### Question #1 of 4

Question ID: 1573304

Smith Company's board of directors assigns responsibilities to several committees. The committee that is *most likely* to be responsible for establishing the chief executive officer's compensation package is Smith's:

- A) remuneration committee.
  - B) risk committee.
  - C) governance committee.
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### Question #2 of 4

Question ID: 1573306

Risks that may arise from ineffective corporate governance *least likely* include:

- A) reduced default risk.
  - B) less effective decision making.
  - C) weaker financial performance.
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### Question #3 of 4

Question ID: 1573303

A principal-agent relationship *most likely* exists between a company's:

- A) customers and suppliers.
  - B) directors and regulators.
  - C) shareholders and managers.
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### Question #4 of 4

Question ID: 1573305

Responsibilities of a board of directors' nominations committee are *least likely* to include:

- A) evaluating the independence of directors.

**B)** recruiting qualified members to the board.

**C)** selecting an external auditor for the company.