

# [Corporate setups](https://assignbuster.com/corporate-setups/)

Based on the foregoing, this paper finds Hermes principles to be applicable in corporate setups if the purpose is to have a maximum shareholder value. The adopted strategies of the Marks and Spencer to attain its aims have also their support infinancetheories like the CAPM and the constant growth model. The paper notices that the Hermes principles failed to assume when the business entity is losing. The principles did not provide a way to escape or change business when there is a problem with the industry as it is focused on maximizing shareholder value only. Perhaps there could be a way to provide for such eventualities and the possible inclusion of this recommended change be included.

## Reference

1. Brigham and Houston (2002).
2. Fundamentals of Financial Management, Thomson South-Western, London, UKGoogleFinance (2008).
3. http://finance. google. com/finance? q= LON: SBRY
4. http://finance. google. com/finance? q= LON: TSCO, Accessed April 9, 2008, Hermes (2008).
5. The Hermes Principles {www document} URL http://www. hermes. co. uk/, Accessed April 9, 2008.