

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
MBA, Winter 2017 - 18 Examination

Semester: 4
Subject Code: 06200251
Subject Name: Business Ethics and Corporate Governance

Date: 09/01/2018
Time: 10:30am to 1:00pm
Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.**A) Multiple choice type questions (Each of 1 mark) (05)**

1. Ethics is a
a) Social science
b) Science of conduct
c) Normative Science
d) All of these
2. ----- work in creating a balance between legality and morality
a) Ethics
b) Customs
c) Laws
d) Traditions
3. Cadbury Committee Report is concerned with companies functioning in -----
a) India
b) UK
c) USA
d) Canada
4. is a written document, inspirational in contents and specify clearly what is acceptable or unacceptable behavior at workplace and beyond, when the employees represent their organizations outside
a) Code of conduct
b) Business Ethics
c) All of these
d) None of these
5. term includes employees, customers, suppliers and the wider community
a) Stock holder
b) Stake holder
c) Both of these
d) None of these

B) Define the following. (Each of 1 mark) (05)

1. Morality
2. Ethical dilemma
3. Corporate governance
4. Nominee Director
5. Whistle blowing

C) Direct questions. (Each of 1 mark) (05)

1. What do you understand by Corporate Governance Ranking?
2. Which committee exclusively looked into issues of Corporate Governance in Banking and Financial Sector in India?
3. What do you understand by Virtue Approach?
4. Explain in brief 'moral reasoning'.
5. Briefly explain basis of Utilitarian Theory

Q.2 Answer the following questions.

- A) Explain briefly moral standards giving an example. Discuss characteristics of moral standards. (07)**
- B) Discuss briefly importance of and framework for ethical decision making.. (08)**

Q.3 Answer the following questions.

- A) Discuss recommendations of Kumar Mangalam Committee . (07)**
- B) Explain process adopted by ICRA's process of Corporate Governance Ranking . (08)**

A. Reportedly, during mid-2008, after drinking the milk supplied by the Sanlu Group in China, six children died and nearly 300,000 children fell sick. The milk had been intentionally laced with melamine, a toxic industrial compound that can give a fake positive tests in milk. The officials at Sanlu, who were aware of this contamination, neither made it public to warn the consuming population nor recalled their product in time to prevent the damage. On the contrary, as the report goes, the company officials initially tried to cover up the milk poisoning. However, thanks to the hard work of 'whistleblowers', this heinous crime came into the open. It was proved a case of intentional food safety violation of serious magnitude by few individuals in Sanlu for the sake of extra profit. Their condemnable act affected the life and safety of innocent children. A Chinese court sentenced two of these officials to death, in September 2009, for their role in the production and sale of melamine-tainted milk.

Questions:

1. Why should we condemn actions of two officers of Sanlu who were sentenced death?
2. Discuss consequences of unethical business practices of Sanlu group.
3. What actions you will initiate if you are an officer of Sanlu group?

B. A company advertised for apposition stipulating certain academic qualification and job experience. About 470 applications reached the office within the prescribed period. On scrutiny, 278 candidates were found fulfilling the qualification and experience requirements. On further analysis, it was noted that 163 candidates were female and the rest (115) were male. The company decided to call 100 candidates for the interview; 50 each of both genders. Having interviewed them, the company then selected 25 candidates-15 female and 10 male. When the list of selected candidates went to the boss for final approval, he asked whether so many female candidates would befit the job specification that called for shift duty- including night-shift. Hence, the list was revised and 20 male and 5 female candidates were finally offered appointments. It must be noted, in this context, that the law of the land prescribes equal opportunity in jobs for both genders, and that the company also claimed be an 'equal opportunity' organization.

Questions:

1. Is there any unethical practice followed by the company in this case? If so what it is and why it is so?
2. Should gender equality followed in Indian companies? Discuss.
3. What are your learnings from this case?

C. Critically examine the role of auditors in case of huge fraud of Satyam Computers.

D. From the case of Enron, discuss reasons for and impact of collapse of Enron. What is the role of Special Purpose Entities in window dressing of accounts of Enron.