

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 2

NOTE : Attempt **ANY FIVE** questions. All questions carry equal marks.

1. “It is the dharma of all organisations to focus more on corporate social responsibility (CSR) and protect employees’ interests in the hour of crisis. A company should make profits during the good times and help people in bad times.” Do you agree with this statement ? How CSR will likely to rest on organisation with particular reference about CSR and nature of business ?
(20 marks)

2. Satyam Computer Services Ltd. (Satyam) has been in the eye of storm ever since its Board of directors decided to acquire Maytas Infra and Maytas Infrastructures Properties for US \$1.6 billion owned by Satyam Chairman, B. Ramalinga Raju and his family by inflating the cash of US \$1 billion by window dressing the balance-sheet and accounts of the company. Raju’s family owning about 8% shares in Satyam were transferring liquid cash to another company in which they held more than 35% stake. What irked the investors was the payment of US \$1.6 billion just for the land of 6,800 acres valued at almost `1 crore per acre in the falling market. As this fraud was reported in the press, Satyam ADR fell by 90% on 7th January, 2009. It may be noted that Satyam came under New York laws because of the issue of American Depository Receipts which are listed on the New York Stock Exchange. It has been alleged in the Federal District Court of the Southern District Court of New York that Price Waterhouse Coopers (PwC) was aware of or recklessly disregarded a multilayer massive fraud by the Satyam management to overstate the company earnings and concocting US \$1 billion of cash that did not exist. Major breakdown of Corporate Governance machinery in Satyam was evident by the following :
 - Failure of Satyam Board, its audit committee and independent directors.
 - Failure of Satyam external auditor (PwC).
 - Criminal conspiracy to rig the stock market prices for gains.

You are required to answer the following :

- (i) As a Company Secretary, suggest Corporate Governance measures.
- (ii) How audit and assurance quality needs to be improved ?

(10 marks each)

3. Business ethics is a form of applied ethics that examines ethical principles and moral or ethical problems that arise in a business environment. Discuss this statement with reference to international business ethics practices.
(20 marks)
4. (a) “Krishna, not Kotler guides Indian management gurus.” Examine the statement in the light of values described by Manu and the Bhagwat Gita relating to the concept of Corporate Governance in ancient India.
(10 marks)
- (b) “The stakeholder theory of organisation is different from the shareholder theory of organisation.” Comment on this statement and discuss the various stakeholders and their expectations around the corporate world.
(10 marks)
5. (a) “Necessity is the mother of invention.” In the light of this statement, elaborate the story of the development of Corporate Governance after the corporate frauds and scandals leading to the collapse of big business houses across the world.
(12 marks)
- (b) “When the Board of directors functions in an ethical way, message goes down and executives and employees pursue the work culture in similar manner.” In the light of this statement, discuss ‘business ethics’ *vis-à-vis* ‘Corporate Governance’.
(8 marks)
6. (a) “Company Secretaries have greater role to play in compliance management as they are recognised as specialised professionals for Corporate Governance.” Examine the statement.
(10 marks)
- (b) “Small shareholders are becoming more vigilant and effectively assert their rights through class action suits which is a healthy trend for Corporate Governance.” Examine the statement with example from Indian companies.
(10 marks)