

Roll No. ....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

## PART—A

*(Answer Question No.1 which is compulsory  
and any two of the rest from this part.)*

1. (a) “Good governance is decisively the manifestation of personal beliefs and values which configure the organisational values, beliefs and actions of the Board. A properly structured Board capable of taking independent and objective decisions is the pivot of Corporate Governance. A Board should, therefore, be a mix of executive and independent directors with a variety of experience and core competence so that the Board may effectively fulfil their responsibilities by laying down policies and strategies and monitoring managerial performance objectively.”

In the light of above statement, discuss the role of independent directors in the Corporate Governance and state the provisions of the Companies Act, 1956 and the listing agreement with regard to appointment of independent directors on the Board of directors of a listed company.

*(10 marks)*

- (b) State, with reasons in brief, whether the following statements are true or false :
- Section 275 of the Companies Act, 1956 stipulates that a person cannot hold office as director in more than fifteen companies at the same time.
  - Control activities are the policies and procedures which ensure that management directives are carried out.
  - Internal auditors play an important role in evaluating the effectiveness of control systems and contribute to ongoing effectiveness.
  - Codification of Corporate Governance in India started with the recommendations of Kumar Mangalam Birla Committee.
  - Corporate social responsibility is distinct from corporate philanthropy.

*(2 marks each)*

2. (a) Write short notes on *any three* of the following :

- (i) Two-tier Board
- (ii) Whistle blower policy
- (iii) Shareholder activism
- (iv) Corporate Governance Committee.

*(3 marks each)*

(b) You are the Company Secretary of Nodal Power Company Ltd. Your Board of directors wants to understand its responsibilities for reviewing the company's policies on risk oversight and management in the light of listing agreement and satisfy itself whether the management has developed and implemented a sound system of risk management and control.

Prepare a Board note discussing the responsibilities of the Board on risk management and the relevant legal provisions on risk management under the listing agreement.

*(6 marks)*

3. (a) "Constructive insiders are also liable for insider trading violations if the company expects the information to remain confidential, since they acquire the fiduciary duties of the true insiders." Discuss the statement in the light of decided cases.

*(7 marks)*

(b) Describe how the OECD principles of Corporate Governance helped in evolution and development of Corporate Governance.

*(4 marks)*

(c) "Chairmen have no legal position." Elucidate.

*(4 marks)*

4. (a) You are the Company Secretary of Beware Ltd., listed in the London Stock Exchange. Prepare a brief note to the Chairman highlighting the relevant provisions of the UK Combined Code on Corporate Governance stating the factors determining independence of the directors under the UK law.

*(7 marks)*

: 3 :

- (b) “The institutional investors use different tools to assess the health of the company before making investment of funds.” Discuss some of the important tools used by the institutional investors for this purpose.

(4 marks)

- (c) “Corporate communication comprises both — external as well as internal communication.” Elaborate this statement.

(4 marks)

### PART—B

(Answer ANY TWO questions from this part.)

5. (a) You are the Company Secretary of Dia Pipes Ltd. The Board of directors desires to know from you the ‘best practices in ethics programme’. Draft a precise ten point best practices in ethics programme for consideration of the Board of directors.

(7 marks)

- (b) Discuss the concept of ‘ethics philosophies’.

(4 marks)

- (c) “The Caux Round Table (CRT) is based on the belief that the world business community should play an important role in improving economic and social conditions.” In the light of this statement, enumerate the CRT general principles for business.

(4 marks)

6. (a) “The Board of directors holds ultimate responsibility for their company’s success or failure as well as for ethics of their decisions.” In the light of this statement, discuss the role of Board of directors in shaping the ethical climate of a company.

(7 marks)

- (b) Elaborate the concept of ‘stakeholders’.

(4 marks)

- (c) Write a note on ‘social and ethical accounting’.

(4 marks)

7. (a) Your company is listed in the Bombay Stock Exchange. There is a proposal to set-up its business in USA. You are required to prepare a brief note for the Chairman explaining the code of conduct and business ethics in both the countries. (7 marks)
- (b) Discuss the Clarkson Principle of Stakeholder Management. (4 marks)
- (c) Write a note on 'ethics training and communication'. (4 marks)

**PART—C**

8. Attempt *any four* of the following :
- (i) "The International Labour Organisation (ILO) is the only tripartite United Nations agency that brings together representatives of governments, employers and workers to jointly shape policies and programmes to achieve its defined objectives." Elucidate.
- (ii) Write a note on 'hazardous or inherently dangerous industry'.
- (iii) "Just like an industry which cannot pay minimum wages to its workers cannot be allowed to exist, a tannery which cannot set-up a primary treatment plant cannot be permitted to continue to be in existence for the adverse effects on the public at large." Discuss this statement with the relevant case law.
- (iv) "Corporate sustainability encompasses strategies and practices that aim to meet the needs of stakeholders today while reaching to protect, support and enhance the human and natural resources that will be needed in the future." In the light of this statement, discuss the key drivers which need to be garnered to ensure sustainability.
- (v) "The Bali Road Map consists of a number of forward looking decisions that represent the various tracks essential to reaching a secure climate future." Discuss. (5 marks each)