1. (a) "Strong Corporate Governance is indispensable to resilient and vibrant capital markets and is an important instrument of investor protection. It is the blood that fills the veins of transparent corporate disclosure and high quality accounting practices. It is the muscle that moves a viable and accessible financial reporting structure." These excerpts from Kumar Mangalam Birla’s Committee Report on Corporate Governance indicate the ‘overall concept’ of Corporate Governance in terms of systems, practices and expectations. What do you infer from the above? Do you think that committees after committees set-up in India have been able to address the ‘subject’ of Corporate Governance? Illustrate. (10 marks)

(b) How does good presentation of financial reports, reports of audit committees and disclosures in the reports help to achieve good Corporate Governance in the companies? (10 marks)

2. (a) "Three primary ingredients of Corporate Governance are transparency, accountability and disclosure – along with fairness, integrity and efficiency so much so that there is need to protect the rights not only of shareholders but of all the stakeholders." Examining the statement, what modifications in model code of conduct would you recommend to ensure protection of rights of small and vulnerable shareholders having no access to technology? (10 marks)

(b) How does legal and regulatory framework help to enhance good Corporate Governance? Explain with particular reference to the Companies Act, 2013, SEBI and other regulatory mechanisms. (10 marks)

3. It is observed that maximising shareholders’ wealth is the cornerstone of Corporate Governance. The large and professional investors like institutional investors, mutual funds, etc. have analytical skills and business acumen and can play a vital role in Corporate Governance.
because such investors have the same objective of maximising the shareholders' wealth whereas economics of organisation after liberalisation, privatisation and globalisation (LPG) echoed the same, but now with a difference. The difference is to create social entrepreneurship. What strategies would you formulate as a part of Corporate Governance through CSR to promote social entrepreneurship?

(20 marks)

4. Examine the following. Attempt any four:

(a) Role of independent directors
(b) Directors' responsibility statement
(c) Objectives of remuneration committee
(d) Composition of audit committee
(e) Social and ethical accounting
(f) Values and ethics in global business.

(5 marks each)

5. "Infosys, HUL, ITC, WIPRO, HDFC, ONGC, etc. are a few landmarks in conceptualisation, implementation and delivery of Corporate Governance in Indian context." How would you, as a young corporate honcho, initiate, imbibe and implement the best of Corporate Governance practices in your organisation? Explain, while highlighting the 'best practices' of some of the above mentioned corporates.

(20 marks)

6. (a) "Business ethics is at the heart of Corporate Governance philosophy. All stakeholders expect ethical behaviour from the corporate. Ethics has its source and origin in philosophy." Examine the statement while highlighting the advantages of ethical behaviour in Corporate Governance.

(10 marks)

(b) "The evolving concept of corporate social responsibility (CSR) goes beyond charity and requires a company to act beyond its legal obligation and to integrate social, environmental and ethical concerns into the company's processes." Critically examine the concept of CSR in Indian context. What punitive and corrective actions would you suggest to preserve, prevent and promote flora and fauna in Indian context?

(10 marks)
1. "I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or pettier than a business, however large, governed without honesty and without brotherhood." — William Hesketh Lever. Explain this statement quoting Siemens example in effectively tackling corruption issue and the lessons which Indian companies can learn from it.

   (20 marks)

2. (a) "A management who knows that it will be questioned and held responsible for its actions is always on its feet." In the recent scenario, shareholders activism particularly institutional investors is playing an active role in bridging the gap between the real owners and the managers of the company. Explain referring to some Indian examples.

   (10 marks)

   (b) It is observed that Corporate Governance in Indian capital market is now creating disillusionment to retail investors. Suggest innovative measures which can bring back the trust to revive the Indian capital market.

   (10 marks)

3. (a) The legal structure for Corporate Governance in India provides for strong minority shareholders protection compared with other emerging markets. Explain some of the key measures in this regard.

   (10 marks)

   (b) Corporate Governance has evolved from being a mere compliance issue to an important element which delivers value to businesses that adopt the best governance practices. What are the checks for good Corporate Governance?

   (10 marks)

4. (a) "Good governance is decisively the manifestation of personal benefits and values which configure the organisational values, beliefs and actions of its Board." Elaborate the statement incorporating further steps which can be taken for making Board more effective.

   (10 marks)
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(b) CEO/CFO certification is a major step towards compliance of clause 49 of the listing agreement. Discuss referring to major contents of this certificate.

(10 marks)

5. (a) The role of independent directors has become more critical in case of family-owned businesses for effective Corporate Governance. Elaborate.

(10 marks)

(b) The Ministry of Corporate Affairs has proposed ban on companies for serving tea/snacks/gifts to the shareholders during annual general meetings. What are your views on this matter? Whether this is justified.

(10 marks)

6. “The future belongs to those who give next generation reason for hope” — Pierre Teilhard de Chardin (1881-1955). In this context —

(a) Explain the concept of sustainability; and

(b) Elaborate the importance assumed by sustainability report in view of increasing demand from stakeholders for transparency and disclosure.

(10 marks each)
NOTE: Attempt ANY FIVE questions. All questions carry equal marks.

1. Explain the following. Attempt any five:
   (a) Dual listed company (DLC) concept and Corporate Governance issues arising in DLC structure.
   (b) The terms ‘chaebol’ and ‘keiretsu’.
   (c) Key Corporate Governance issues in joint ventures (JVs).
   (d) ‘Scaremongering’ in the context of games which directors play in manipulation of meetings.
   (e) Importance of induction programme for independent directors.
   (f) ‘Tunneling’ in the context of related party transactions (RPTs).
   (g) Five plausible defects in current ‘whistle blower systems’.

   (4 marks each)

2. Give a brief overview of the initiatives taken in UK in improving the Corporate Governance standards. Do you appreciate the UK ‘comply or explain’ approach to Corporate Governance?

   (20 marks)

3. BHEL Ltd., a company incorporated and registered under the Companies Act, 1956 and listed on BSE and NSE, is engaged in the business of production of machine tools. BHEL Ltd. took financial assistance from a group of public sector banks (PSBs). In terms of loan agreement, PSBs had a right to appoint their nominee on the Board of BHEL and accordingly one, Shyam, was nominated on the Board of BHEL by PSBs in the year 2008. Unfortunately, BHEL could not perform due to manufacturing defects in the machine tools resulting from defective technology supplied by overseas technology collaborator. The problem of defective production and issue arising out of defective technology provided by the overseas technology collaborator was frequently discussed in the Board of which nominee of the PSBs was also a member. Apart from the above, lot of unjustified expenditure was not monitored and no satisfactory explanation was forthcoming. The situation was further aggravated, as there were other financial irregularities. The nominee of the PSBs found himself inadequate and helpless to extract satisfactory responses to various questions put forth by him. Ultimately, the nominee director escalated the issue to PSBs.

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P.T.O.
In light of the above, discuss the following —

(a) How the nominee director in your view, ought to have reacted to the situations described above?

(b) What role should a nominee director play in the Board meetings of the company in which he/she is nominated by the stakeholders?

(c) Is the status of nominee director different from other directors?

(d) Can nominee director be treated as an independent director?

(5 marks each)

4. Post Enron scandal, the Europe was shook by the Parmalat scandal. Parmalat (one of Italy's largest publicly quoted companies) failed as the auditors failed to notice the fraud. Forged documents, which were submitted showed cash holdings at a subsidiary, called Bonalat, which simply did not exist at all. Reportedly, in Parmalat, Calisto Tanzi founder based family held 51% equity. Further, Tanzi held the role of both Chairman and CEO. An investigation found that while a number of employees suspected wrong-doing, but no one came forward. Parmalat scandal was similar to Waste Management, WorldCom, Xerox, etc. Satyam in India was no way different. In light of the above, identify key focus areas of Corporate Governance which in your view could have averted such financial failures and scandals.

(20 marks)

5. SEBI in February, 2014, has approved the proposal to amend the listing agreement with specific reference to Corporate Governance provisions. Explain the rationale and need for amending the listing agreement at this stage.

(20 marks)

6. Explain whether the provisions of 'class action suits and constitution of special Courts' under the Companies Act, 2013 strengthen the Corporate Governance framework.

(20 marks)
NOTE: Attempt ANY FIVE questions. All questions carry equal marks.

1. "A poorly conceived Corporate Governance system can wreak havoc on the economy by misallocating resources or failing to check opportunistic behaviours.” Discuss in the light of Corporate Governance and globalisation.

(20 marks)

2. As a Company Secretary, do you feel that your company should have a separate ‘risk committee’? Should risk oversight be the responsibility of ‘audit committee’? Highlight the roles and responsibilities of a separate risk committee.

(20 marks)

3. "It is apprehended that certain Corporate Governance norms which have been introduced by SEBI may turn out to be over-regulative and may keep more companies away from being listed.” Do you agree? Discuss the positive and negative provisions of Corporate Governance norms introduced by SEBI.

(20 marks)

4. (a) If not hundred per cent, at least, a large majority must be present in all Board committee meetings, as all important decisions are taken in committee meetings. Keeping in mind, the stated fact, what measures should be taken to ensure maximum participation and attendance in Board committee meetings?

(10 marks)

(b) "India’s corporate culture is about to witness a shake-up. A new law will make it mandatory for most Indian companies to separate the role of Chief Executive and Chairman of the Board.” Elucidate the statement.

(10 marks)

5. (a) Specific content and format for a terms of reference (TOR) vary from company to company, though the basic elements remain the same. State briefly, some common elements of TOR.

(10 marks)
(b) A Company Secretary is also a link between the Board and the stakeholders. It is, therefore, his primary responsibility to redress grievances of the stakeholders. For this purpose, a ‘stakeholders’ relationship committee’ is formed. As a Company Secretary, draft terms of reference (TOR) for stakeholders’ relationship committee of your company.

(10 marks)

6. Company Secretaries, by virtue of their knowledge and training, have come to occupy pivotal position in the corporate sector and are now key managerial personnel. In this context, answer the following —

(a) How can Company Secretary help the corporate to discharge its social responsibilities?

(b) Mention the initiatives taken by Government for public sector undertakings with respect to Corporate Social Responsibility.

(10 marks each)
NOTE: Attempt ANY FIVE questions. All questions carry equal marks.

1. China has become world’s number one destination for foreign direct investment as per an interesting study made by World Bank Development Research Group and yet it is known for its weak Corporate Governance.

While this is so, SATYAM Computers, an Indian corporate entity gave a rude shock not only to its investors but also to other stakeholders, when the company’s Chief disclosed various fraudulent activities indulged in by him despite having a desirable Corporate Governance structure in that entity.

What happened in China was an interesting and exciting story running parallel to its weak Corporate Governance. In a distressingly contrasting story, we find that SATYAM was a sad commentary despite possessing an apparently sound Corporate Governance structure.

How do you react to these seemingly conflicting situations and what measures do you suggest to tone-up and strengthen the Corporate Governance measures in India to ensure that Indian corporate edifice is placed on a strong footing?

(20 marks)

2. The scope of Corporate Governance embraces several aspects which directly or indirectly contribute to the growth, development and reputation of the company thereby enhancing shareholders’ value and promoting the interests of all stakeholders of the corporate entity.

In this context, the concept of ‘green marketing’ is emerging as an environment friendly, sustainable and socially responsible marketing tool. Yet, many challenges lie ahead for taking the movement of green consumerism and environmentalism forward; but there shall not be any retreat.

In the light of the above, present your views on the prospects of green marketing and the role of corporate in this regard.

(20 marks)
3. "Good governance is basically aimed at assisting the management of corporates in efficient conduct of business." Elucidate the statement. 
(20 marks)

4. In corporate culture, highlight the issues which can be placed before the Board of directors for its consideration under clause 49 of the listing agreement. 
(20 marks)

5. (a) Do you feel that the perceived benefits of women participation in Board room and diversity strengthen the Corporate Governance? 
(10 marks)
(b) Ethics in current business scenario mean going beyond mere legal and statutory clearances. Business entities must make a whole-hearted effort to comply not just with the letter of the law but also with the spirit of the law. 

In recognition to the above ethical principle, many companies have displayed higher standards of Corporate Governance and acted in that direction which means that they have gone beyond compliance of legal and statutory clearances. 

Outline the instances where the corporates went beyond the compliance of legal and statutory clearances. 
(10 marks)

6. Considering the Corporate Governance practices, what would you advise the management to achieve and enable them to offer appropriate disclosure in respect of the following issues with explanations:

(a) Disclosure of interest of directors in other body corporates with which the company has dealings in commercial properties/real estate. 
(7 marks)
(b) In the travelling expenses of directors, the company intends to disclose the travelling expenses of their spouses on business trips abroad. 
(7 marks)
(c) Training of new directors as a part of business activity. 
(6 marks)