

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) Post Enron scandal, Europe was hit by the Parmalat scandal. Parmalat failed as the auditors failed to notice the fraud. Forged documents, which were submitted showed cash holdings in a subsidiary, which did not exist. Further, same person held the charge of both Chairman and Chief Executive. An investigation revealed that many employees knew about this but no one came forward. Satyam episode in India was no way different.

In this backdrop, identify the key focus areas of Corporate Governance which could have perhaps averted such financial failures and scandals.

(10 marks)

- (b) State, with reasons in brief, whether the following statements are true or false :
- (i) The Foreign Corrupt Practices Act, 1977 of United States provides for specific provisions regarding establishment, maintenance and review of systems of external control.
 - (ii) A person shall not serve as an independent director in more than seven listed companies.
 - (iii) Reputation damage is irreparable.
 - (iv) A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity.
 - (v) The Institute of Directors (IOD) is a non-party political business organisation.

(2 marks each)

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

- (i) Shadow director
- (ii) ICSI vision and mission
- (iii) Fraud risk management
- (iv) Nomination and remuneration committee
- (v) OECD guidelines for Corporate Governance.

(3 marks each)

- (b) Explain the following. Attempt *any two* :
- (i) Listed companies must have a majority of independent directors as per the provisions contained in the Australian Stock Exchange Listing Rules in respect of Board structure.
 - (ii) Provisions of the secretarial audit under the Companies Act, 2013.
 - (iii) SEBI requirements on related party transactions.

(3 marks each)

3. You are the Company Secretary of Belly Ltd. having a turnover of ₹1,200 crore in the financial year 2013-14. The Chairman of the company is going to discuss on the CSR policy of the company. You are required to prepare a detailed note on formulation of CSR policy in line with Triple Bottom Line (TBL) approach.

(15 marks)

4. (a) "Shareholder activism refers to the active involvement of stockholders in their organisations." In the light of this statement, discuss the brief history of shareholder activism.

(6 marks)

- (b) Discuss briefly the following. Attempt *any three* :

- (i) Lead independent directors
- (ii) Corporate communication policy
- (iii) Board processes
- (iv) Kautilya's fourfold duties of a King.

(3 marks each)

PART – B

(Answer ANY TWO questions from this part.)

5. Explain the following. Attempt *any three* :
- (a) Marketing ethics is that area of applied ethics which deals with the moral principles behind the operation and regulation of marketing.
 - (b) Ethics in compliance.

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- (c) Organisation culture comprises the attitudes, experiences, beliefs and values of an organisation.
- (d) Role of Company Secretary in framing the code of conduct of a company.

(5 marks each)

6. Discuss the following. Attempt *any three* :

- (a) Ethical dilemma
- (b) Ethics audit
- (c) Stakeholder analysis
- (d) Credo.

(5 marks each)

7. You are a Key Managerial Personnel (KMP) in Aura Ltd., a financial services MNC. Aura Ltd. is an international firm with a publicly stated commitment to the highest standards of ethical behaviour. The company is financially sick and is due to make a very important presentation to a major corporate client and if the deal falls through, it would turn around the company.

The Board feels that this activity will provide a lucrative return to the successful bidder for the business and a number of major financial service providers have been asked to make presentations.

The company is keen to win the mandate for the business and has committed considerable resources to its bids, for which initial presentations were held last week. Following the initial presentation, you learned that the proposal was well received and you are on the shortlist against only one other major firm.

As a Company Secretary, you have realised that there is a substantial variation in the bid from the original presentation but you leave it to the wisdom and judgement of the team.

It is soon discovered by you that your team had got hold of the bid book of the competitor which was inadvertently left by them in the waiting room.

In business, howsoever highly competitive, there are rules and principles to ensure that certain standards are maintained.

You are required to prepare a detailed report on the ethical dilemma to the Board of directors explaining the steps with alternative course of actions, consequences and evaluation with your final recommendations.

(15 marks)

PART – C

8. Explain the following. Attempt *any four* :

- (i) Convention on biological diversity.
- (ii) Sustainability is an emerging mega trend and is a measure of good Corporate Governance.
- (iii) Consequences of the Supreme Court judgment in Bhopal Gas Disaster.
- (iv) The Corporate Manslaughter and Corporate Homicide Act, 2007 of the United Kingdom.
- (v) United Nations Framework Convention on Climate Change.
- (vi) Major commitments adopted under Rio+20 outcome document.

(5 marks each)