PART — A

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

1. (a) "Kautilya's Artha Shastra maintains that 'for good governance, all administrators, including the king were considered servants of the people. Good governance and stability were completely linked'. If the king is substituted with the Board of directors, the same principle can be applied with Corporate Governance."

In the light of the above statement, discuss the fourfold duties of the Board of directors with regard to Corporate Governance as enunciated by Kautilya and explain the six enemies of governance, which should be overcome by the Board of directors for ensuring good Corporate Governance.

(10 marks)

(b) State, with reasons in brief, whether the following statements are true or false:

(i) Developing a valid strategy is only the first step in creating an effective organisation.

(ii) Insider trading is always illegal.

(iii) As per clause 49 of the listing agreement, only the Chairman of the company can be the Chairman of the Audit Committee.

(iv) Mutual funds are institutional investors.

(v) According to California Public Employees' Retirement System (CalPERS), lead independent director is appointed by independent directors.

(2 marks each)
2. (a) "The independence of independent directors is one of the most debated aspects in Corporate Governance. Are they liable and can they be punished?" Discuss this statement in the light of available case studies.

(b) Write short notes on any three of the following:
   (i) Mandatory committees under the listing agreement
   (ii) Diligence report in banks
   (iii) Fraud risk management
   (iv) ISO 26000.

3. (a) "A corporate blog is published and used by an organisation to reach its organisational goals." Comment, highlighting the benefits of corporate blogging.

(b) Discuss briefly the disclosure norms under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(c) Discuss the barriers to visionary leadership.

4. (a) "Much of the development of insider trading law has resulted from court decisions." Elucidate.

(b) Discuss briefly any three of the following:
   (i) Directors development programme
   (ii) Related party transactions
   (iii) Corporate citizenship
   (iv) Corporate Governance in Australia.
PART—B

(Answer ANY TWO questions from this part.)

5. (a) "The integrity pact (IP) is a tool aimed at preventing corruption in public contracting." Discuss.

   (6 marks)

(b) Discuss briefly any three of the following:

   (i) Stakeholder engagement
   (ii) Social and ethical accounting
   (iii) Credo
   (iv) Ethics in compliance.

   (3 marks each)

6. (a) "A code of ethics should reflect upon top management's desire for compliance with the values, rules and policies that support an ethical climate." Elucidate.

   (5 marks)

(b) You are the Company Secretary of Innovative Products Ltd. The Board of directors desires to know the advantages of business ethics. Draft a note for consideration of the Board of directors.

   (5 marks)

(c) "Corporate Governance Voluntary Guidelines, 2009 suggests for institution of mechanism for whistle-blowing." Discuss the mechanism as enunciated in the guidelines.

   (5 marks)

7. (a) Write a qualitative note on 'ethics philosophies'.

   (5 marks)

(b) Explain the features of a good ethics programme.

   (5 marks)

(c) Discuss the Clarkson Principles of Stakeholder Management.

   (5 marks)
8. Attempt any four of the following:

(i) "The Kanpur Tanneries or Ganga pollution case is one amongst the most significant water pollution cases." Discuss.

(ii) Distinguish between 'corporate sustainability' and 'corporate social responsibility'.

(iii) Discuss the standard disclosures under the G3 Guidelines of the global reporting initiative (GRI) sustainability reporting framework.

(iv) "Sustainable development is a broad concept that balances the need for economic growth with environmental protection and social equity." Elucidate this statement.

(v) Discuss the rule of strict liability as stated in Rylands vs. Fletcher and its applicability in India.

(5 marks each)