

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) The Committee on the Financial Aspects of Corporate Governance was set-up under the Chairmanship of Sir Adrian Cadbury by the London Stock Exchange, the Financial Reporting Council and accountancy profession to focus on the control and reporting functions of Boards and the role of auditors.

Under the umbrella of Cadbury's Report, discuss the evolution of corporate governance in India.

(10 marks)

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

- (i) Independent Board is essential for sound corporate governance.
- (ii) Directors are only agents of the company.
- (iii) Committees are separate governing authorities within the organisation and are not part of the Board.
- (iv) The system of internal control is a proactive approach that balances the risk and control in a company.
- (v) Securities and Exchange Board of India provides protection to the investors and safeguards their rights.

(2 marks each)

2. (a) Explain the following. Attempt **any three** :

- (i) Internal control as defined by COSO.
- (ii) Accountability as per Australia's Corporate Governance.
- (iii) The advantages of corporate blogging.
- (iv) Focus areas of global corporate governance forum.

(3 marks each)

- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) Certain classes of companies are mandated under the second proviso to section 149 of the Companies Act, 2013 to appoint a _____.
 - (ii) The Board shall appoint one of the _____ as the Chairman of the audit committee.
 - (iii) Minutes must be written within _____ days from the date of final conclusion of the meeting.
 - (iv) Effective _____ on a continuous basis is an essential component of a sound system of internal control.
 - (v) According to the SEBI (Prohibition of Insider Trading) Regulations, 2015, _____ is any person, who is or was connected with the company and who is reasonably expected to have access to unpublished price-sensitive information about the stock of that particular company.
 - (vi) The term _____ is usually used to describe a person who is both a member of the Board and has day-to-day responsibilities in respect of the affairs of the company.

(1 mark each)

3. In this competitive era, corporates face the task of managing their risk exposures while remaining profitable and competitive at the same time. As a Company Secretary of Royal Ltd., you are required to prepare a risk management strategy to be presented at the Board meeting.

(15 marks)

4. (a) Under corporate governance, it is the responsibility of the Board to provide leadership in advancing the company's vision, values and guiding principles. List the barriers to visionary leadership with a view to help companies to identify them for the organisations.

(6 marks)

: 3 :

- (b) Discuss briefly the following. Attempt *any three* :
- (i) Three areas of scope of work of the Asian Corporate Governance Association.
 - (ii) Audit committee must have a written charter.
 - (iii) Two main reasons for the collapse of Barings Bank.
 - (iv) Company Secretary acts as a vital link between the company and its Board of directors, shareholders and regulatory authorities.
- (3 marks each)*

PART — B

(Answer ANY TWO questions from this part.)

5. (a) "A code of ethics is the most comprehensive expression and consists of general statements, some altruistic or inspirational; that serves the principles and basis for rules of conduct." Elaborate.
- (5 marks)*
- (b) "Good corporate governance should look at all stakeholders and not shareholders alone." Elucidate this statement and discuss the thesis in stakeholders' theory.
- (5 marks)*
- (c) The Caux Round Table (CRT) is based on the belief that the world business community should play an important role in improving the economic and social conditions. In this context, discuss the responsibility of business community towards employees.
- (5 marks)*
6. (a) "Thoughtful and effective corporate codes provide guidance for making ethical business decisions that balance the conflicting interests." In the light of this statement, bring out the functions of ethics committee.
- (5 marks)*
- (b) Explain social and ethical accounting. How does it help the company ?
- (5 marks)*
- (c) Is the Integrity Pact developed by Transparency International a functional tool to prevent corruption in public contracting ? Comment.
- (5 marks)*

7. (a) "In the era of liberalisation, the old dirty games and unethical conduct will no longer be accepted and tolerated." Elaborate the concept of code of ethics and code of conduct in preventing unethical conduct in present liberal environment.

(6 marks)

- (b) Explain the following :

- (i) The Clarkson principles of stakeholder management.
- (ii) Economic and social impact of business.
- (iii) Ethics training and communication.

(3 marks each)

PART — C

8. (a) Describe the major legal enactments and rules enforced by the Ministry of Environment and Forest (MoEF) through its Environment Impact Assessment Notification, 2006 for ensuring the economic growth and development of India in conformity with regulations for environmental conservation.

(10 marks)

- (b) Comment on the following. Attempt *any two* :

- (i) All people regardless of race, religion or culture, should be harmoniously living and working together into the future.
- (ii) The sustainability report should present an organisation's performance in the wider context of sustainability.
- (iii) Departure from the principle of absolute liability.

(5 marks each)