

# 336

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 4

**NOTE :** Answer **ALL** Questions.

## PART — A

1. (a) The 'Tylenol incident' involving Johnson & Johnson was an event that demonstrated how Business ethics is an important aspect of company competitiveness. In 1982, an incident occurred in Chicago causing the death of 7 people who had taken Johnson & Johnson's product, Tylenol. It was later revealed that the cause of the deaths had to do with deadly cyanide put in the capsules by an unknown suspect. But, Johnson & Johnson took immediate and forceful actions, not only conducting a product recall from the entire country and sending their staff to the areas where the deaths occurred, but also openly informing the public about the incident through press release. They went on a large-scale informational promotion asking the public not to use the product until the cause of the deaths are fully determined. At the time, the executive managers spent an enormous amount of one hundred million dollars to carry out the product recall, but they managed to maintain the image of an exemplary company of business ethics as they demonstrated their belief of 'people first' to the public.
  - (i) In terms of the above case study explain the scope of Business Ethics in following functional areas —
    - (a) Compliance ;
    - (b) Marketing ; and
    - (c) Production.

(2 marks each)
  - (ii) Define 'credo' and what does Credo of Johnson and Johnson talks about.

(4 marks)
- (b) Answer the following in brief :
  - (i) An owner selects the agent to work in good faith to protect their interest and remain faithful to their goals. Who do you think are the agents and owners in modern organisations ?

(2 marks)

# 336

: 2 :

- (ii) Board should have a proper blend of skills for effective and good corporate governance. Explain.

(2 marks)

- (iii) Which type of a company should have at least one woman director ?

(2 marks)

- (iv) For a successful Board meeting it is important to have a proper Board agenda. What are the key factors for setting the Board agenda ?

(2 marks)

- (v) Briefly explain the role of due diligence report in helping to curb occurrence of related party transactions.

(2 marks)

- (c) What is an 'integrity pact' ?

(5 marks)

*Attempt all parts of either Q.No. 2 or Q.No. 2A*

2. Elucidate the following :

- (a) Need for corporate governance  
(b) Board committees  
(c) Code of Conduct.

(5 marks each)

*OR (Alternate question to Q.No. 2)*

- 2A. (i) What are different types of directors on a Corporate Board ?  
(ii) Independent directors bring valuable outside perspective and have objective view in Board deliberations. What are the various roles of an independent director ?  
(iii) Discuss the duties of the nomination and remuneration committee.

(5 marks each)

# 336

: 3 :

3. (a) Investors must be safeguarded not only against frauds and cheating but also against the losses arising out of unfair practices. What are the SEBI's regulations for investors' protection in India ?

(5 marks)

- (b) "Shareholders can ensure that the company follows good corporate governance practices and implements beneficial policies." Discuss shareholder's activism.

(5 marks)

- (c) What are the expectations from institutional shareholders ? What are the principles of good governance for the institutional investors ?

(5 marks)

4. (a) "The committees are a sub-set of the Board, deriving their authority from the powers delegated to them by the Board." In the light of above statement, discuss the need and advantage of committee management.

(5 marks)

- (b) The Organisation of Economic Co-operation and Development (OECD) was established in 1961. The OECD was one of the first non-government organisations to spell out the principles that should govern corporate. What are the existing OECD principles of corporate governance ?

(5 marks)

- (c) "The central element in corporate governance is the challenges arising out of separation of ownership and control. The shareholders are the true owners of a corporate and the governance function controls the operations of the corporate. There is a strong likelihood that there is mismatch between the expectations of the shareholders and the actions of management". In the light of above statement, enumerate the core principles of accountable corporate governance.

(5 marks)

## PART — B

5. (a) "The term Corporate Social Responsibility refers to the concept of business being accountable for how it manages the impact of its processes on stakeholders and takes responsibility for producing a positive effect on society". What are the factors influencing corporate social responsibility ?

(5 marks)

# 336

: 4 :

- (b) "Sustainable development is a broad concept that balances the need for economic growth with environmental protection and social equity". Define sustainable development and its principles.

(5 marks)

- (c) What is stakeholder inclusiveness ?

(5 marks)

*Attempt all parts of either Q.No. 6 or Q.No. 6A*

6. Answer the following :

- (a) Why CSR at all ?  
(b) What are different stages of KYOSEI ?  
(c) What are the key drivers of sustainability reporting ?

(5 marks each)

*OR (Alternate question to Q.No. 6)*

- 6A. (i) "Report content should be balanced and reasonable presentation of the organisation's performance." In the light of above statement, discuss the steps to use the GRI Reporting Framework.  
(ii) Since the sustainability reporting is relatively a new concept, many organisations find it difficult to prepare. What are the challenges in mainstream sustainability reporting ?  
(iii) The Convention on Biological Diversity, known informally as the Biodiversity Convention, is an international treaty that was adopted in Rio de Janeiro in June, 1992. What were the goals of the convention ?

(5 marks each)

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