

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 6

NOTE : Answer **ALL** Questions.

PART—A

1. (a) Glaxo Smithkline (GSK) recognises that commercial pressures and complex regulatory environments can present employees with difficult ethical situations. GSK provides guidance and support for them backed by rigorous auditing and action if misconduct is identified.

The company's code of conduct promotes honest and ethical conduct by setting out the standards to be followed by GSK's employees in their everyday work for the company. The code is communicated both within and outside the company.

A separate publication, "The Employee guide to Business conduct", helps employees to understand the meaning of code in practice and its acceptable and unacceptable behavior.

Managers are required to set an example and ensure that all their staff receives guidance, training and supervision on ethical behaviour and legal compliance relevant to their jobs. Senior managers formally certify their adherence to the code and other GSK policies and standards.

GSK has audit systems to help identify and deal with cases of non-compliance. Those who violate company standards are subject to disciplinary action including dismissal in serious cases. Serious violations and remedial actions are reported to the audit committee of the board.

: 2 :

Doing the right thing can, at times appear to sacrifice some immediate advantage. However, GSK's commitment to integrity and high standards of business ethics benefit their customers, communities, shareholders, employees and the business.

In the light of above, answer the following questions :

- (i) In what ways should the managers of GSK set an example on ethical behaviour relevant to their jobs ?
(5 marks)
- (ii) What role can be played by the Board of Directors in corporate governance to bring ethical behaviour among employees ?
(5 marks)
- (b) Explain in brief :
- (i) Employee Participation in Corporate Governance.
- (ii) Internal Governance Structure of National Foundation for Corporate Governance.
- (iii) Three forms of capital for long term value creation as held by CalPERS for making their investment decisions.
- (iv) The provisions where a Chairman of Banking Company is appointed by Reserve Bank of India.
- (v) Financially Literate
(2 marks each)
- (c) Write a note on Desirable Corporate Governance Code promoted by Confederation of Indian Industry.
(5 marks)

: 3 :

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

2. (a) Xavier, a professor of Corporate Affairs in an American University is also a lead Independent Director at Bright Industries Limited, an Indian listed Company. The Board of Directors want a separate meeting of the Independent Directors under the chairmanship of Xavier so that their valuable issues could be raised at the Board meeting. Discuss the provisions regarding separate meeting under SEBI (LODR) Regulation, 2015.
- (b) State the Regulations on Appointed Actuaries as contained in Insurance Regulatory and Development Authority (IDRA) Regulations, 2000.
- (c) A board committee is a small working group identified by the board consisting of board members for the purpose of supporting the board's work. Discuss the rationale behind board committees.

(5 marks each)

OR (Alternate question to Q. No. 2)

- 2A. (i) "The code for Responsible Investing in South Africa (CRISA) gives guidance on how the institutional investor should execute investment analysis and investment activities and exercise rights so as to promote sound governance." In the light of the above statement, state the principles of CRISA briefly.
- (ii) The listed entity shall give prior intimation to stock exchange about the meeting of the Board of Directors. Explain the provisions relating to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) "Social and ethical accounting has no standardized model." Discuss the statement and also explain its principles in brief.

(5 marks each)

3. (a) Novelties Ltd., a company involved in processing, packaging and selling of Agriculture based products is facing some intermittent resistance from local agricultural associations regarding raw material procurement procedures. You are asked by the Board of Directors to initiate the process of Stakeholder Engagement for the Company. Identify the steps which you would take according to the needs of the Company.
- (b) Corporate Governance is the application of best managerial practices, compliance of law in letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.” In the light of the statement, discuss practical steps for better corporate governance recommended by Corporate Secretaries International Association (CSIA).
- (c) What are the recommendations of recognizing and managing risk in a listed entity to establish a sound risk management framework recommended in Corporate Governance Council of Australia.
- (5 marks each)*
4. (a) The Committee of sponsoring Organizations of the Treadway Commission (COSO) released its internal control framework as principles associated with the five components provide clarity for the user in designing and implementing systems of internal control and for understanding requirements for effective internal control. Explain the five components with the reference of the above statement in brief.
- (b) “Listed entities have to make several disclosures to the stock exchange in less than 24 hours of the occurrences of those material events.” What are those events and activities which may take place in a company ?
- (c) XYZ, an insurance company is planning to adopt a code of corporate governance based on Corporate Governance Regulatory Framework. Explain the extent of responsibilities of a Board of Insurers to ensure good governance principles.

(5 marks each)

: 5 :

PART—B

5. (a) What do you understand by Corporate Social Responsibility Audit ? Being the company secretary of XYZ Ltd. you are asked to design and implement a framework for Corporate Social Responsibility Audit. Suggest an indicative programme to carry out the task.
- (b) Corporate sustainability provides more significant focus on sustainable development being different from traditional growth and profit maximization model. In the light of the same discuss what does Corporate Sustainability indicate and explain the key drivers to ensure corporate sustainability.
- (c) The UN Global Compact incorporates a transparency and accountability policy known as the Communication on Progress (COP). Explain and describe its direct benefits to companies.

(5 marks each)

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

6. Discuss in brief :
- (a) International Forest Carbon Initiative
- (b) National Green Tribunal
- (c) Convention on Biological Diversity
- (d) Core areas covered by ISO 26000
- (e) Corporate Citizenship

(3 marks each)

OR (Alternate question to Q. No. 6)

- 6A. (i) Discuss the Guiding Principles of an International Integrated Reporting Framework by the International Integrated Reporting Council (IIRC).
- (ii) United Nations Commission on sustainable development was established by UN General Assembly in December, 1982 to ensure effective follow-up of United Nations Conference on Environment and Development (UNCED) held in Rio De Janeiro. Discuss the commitments adopted under Rio+20 outcome document of Rio Summit.
- (iii) Discuss the rule in Rylands *Vs.* Fletcher and applicability of Rylands Doctrine in India. Why is the Corporate Manslaughter and Corporate Homicide Act, 2007 a landmark law ?

(5 marks each)

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