

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 5

P A R T – A

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

1. (a) On 8th February, 2009, The Hindustan Times published a news caption "Crisis of unimaginable proportions -- Fraud @ Satyam. Company running out of cash to pay salaries -- faces lawsuits."

It further remarked : "The country is rocked by possibly the biggest corporate fraud. The company's profits and cash reserves had been doctored for several years with possible connivance of auditors." Obviously, the company had committed breach of good governance practices and legal bulwarks.

If you have to investigate into this case, which aspects of Corporate Governance would you look into ?

(10 marks)

- (b) Choose the most appropriate answer from the given options in respect of the following :

(i) Corporate governance means –

- (a) Corporate management
- (b) Corporate administration
- (c) Corporate planning
- (d) Corporate system.

(ii) Board of directors play a pivotal role in ensuring –

- (a) Good meetings
- (b) Good management
- (c) Good administration
- (d) Good governance.

(iii) Remuneration Committee of the Board should have –

- (a) Six members
- (b) Independent director as its chairman
- (c) Company Secretary as advisor
- (d) No interested director.

- (iv) The aim of internal control system is to –
- Boost company image in market
 - Rationalise the company affairs and activities
 - Help company in achieving its goals
 - Keep check on internal management.
- (v) Shareholders can apply for winding-up of the company under section 397 read with section 399 of the Companies Act, 1956 in case of –
- Oppression and mismanagement
 - Misbehaviour of managing director with shareholders
 - Company insolvency
 - Failure to pay debts.

(1 mark each)

- (c) State, with reasons in brief, whether the following statements are correct or incorrect :
- Audit committee is more of a formality than an independent regulator.
 - Insider trading is permissible with the sanction of the SEBI.
 - Government regulations and public policy tend to bring the bare minimum involvement by the corporates towards their corporate responsibilities.
 - Clause 49 was incorporated in the listing agreement in February, 2000 by the SEBI.
 - The matters required to be included in the directors' responsibility statement are to be included in the directors' report.

(1 mark each)

2. (a) Write notes on **any two** of the following :
- Objectives of legal compliance committee
 - Internal control system
 - Risk management process.

(5 marks each)

- (b) Distinguish between 'corporate blogging' and 'company's vertical communication'.

(5 marks)

3. (a) What is 'corporate philanthropy' ? How is it different from corporate social responsibility (CSR) ?

(7 marks)

- (b) Describe the responsibilities of the Board of directors towards company, management, stakeholders and government.

(8 marks)

4. (a) "A positive synergy out of due integration of the social responsibility of business with the commercial focus is on the whole a fairy tale with catchy gains." Elucidate.
(7 marks)
- (b) Enumerate various committees of the Board of directors which are required to be constituted under clause 49 of the listing agreement and state their functions ?
(8 marks)

P A R T – B

(Answer ANY TWO questions from this part.)

5. (a) Explain the concept of 'business ethics'.
(2 marks)
- (b) State the essential features of a good business ethics programme.
(3 marks)
- (c) You are the Company Secretary of Satyadhan Services Ltd. The company is currently facing crisis of sagging public image. The Board wants to publicise its ethical programme which takes care of the public aspirations. Draft a catchy 8-Point 'Good Ethics Programme' (GEP) for consideration of the Board of directors.
(10 marks)
6. (a) "Ethics is the first line of defence against corruption, while law enforcement is remedial and reactive. However, both fail to achieve the desired aim in the Indian set-up." Do you agree ? Give reasons in support of your answer.
(7 marks)
- (b) Explain and distinguish between 'activity analysis' and 'stakeholders analysis'.
(8 marks)
7. (a) Outline the main provisions of a 'model code of business conduct and ethics'.
(7 marks)
- (b) Write short notes on **any two** of the following :
- (i) Ethics audit
 - (ii) Ethical dilemma
 - (iii) Deontological ethics.
- (4 marks each)

PART – C

8. Attempt **any four** of the following :
- (a) Explain the concept of 'triple bottom line' (TBL).
(5 marks)
 - (b) What do you understand by 'corporate sustainability' ? State the key drivers which need to be garnered to ensure sustainability.
(5 marks)
 - (c) Explain the benefits of sustainability reporting. Describe sustainability reporting in emerging economies.
(5 marks)
 - (d) Write a note on – World Commission on Environment and Development (WCED).
(5 marks)
 - (e) Choose the most appropriate answer from the given options in respect of the following :
 - (i) The UN climate change conference was held in Bali, Indonesia in –
 - (a) January, 2005
 - (b) June, 2000
 - (c) December, 2007
 - (d) January, 2009.
 - (ii) The International Labour Organisation (ILO) was created by a treaty in –
 - (a) Rome
 - (b) Versailles
 - (c) Paris
 - (d) Geneva.
 - (iii) The Biodiversity Treaty has –
 - (a) Two goals
 - (b) Four goals
 - (c) Only one goal
 - (d) Three goals.
 - (iv) The rule in Rylands vs. Fletcher originally applies only to –
 - (a) Natural resources
 - (b) Industrial disasters
 - (c) Agrarian water logging
 - (d) Dangerous industries.

- (v) The Corporate Manslaughter and Corporate Homicide Act, 2007 applies to industries located in –
- (a) India
 - (b) U K
 - (c) U S A
 - (d) France.

(1 mark each)

- (f) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) Sustainable development and economic growth are co-terminous.
 - (ii) In real life, many public limited companies do not exist in perpetuity.
 - (iii) Stakeholders identification is optional as per the global reporting initiative.
 - (iv) Agenda-21 was adopted at the Earth Summit in New York in 1992 by way of a treaty.
 - (v) There is an absolute and non-delegatable duty on an enterprise which is engaged in a hazardous or inherently dangerous activity.

(1 mark each)

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