

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) While Microsoft's permanent workers enjoy some of the best corporate treatment, a large of Microsoft's labour pool exists outside this privileged class. This includes the use of *perma temp* employees (employees employed for years as "temporary" and therefore, without medical benefits), use of forced retention tactics, where departing employees would be sued to prevent departure, as well as more traditional cost-saving measures, ranging from cutting medical benefits, to not providing towels in company locker rooms.

Historically, Microsoft has also been accused of overworking from employees, in many cases, leading to burnout within just a few years of joining the company. The company is often referred to as a "Velvet Sweatshop", a term which originated in a 1989 *Seattle Times* article and later became used to describe the company by some of Microsoft's own employees. This characterization is derived from the perception that Microsoft provides nearly everything for its employees in a convenient place, but in turn takes overworks from them to a point where it would be bad for their (possibly long-term) health. For example, the kitchenettes have free beverages and many buildings include exercise rooms and showers. However, the company has been accused of attempting to keep employees at the company for unreasonably long hours and working them too much.

A US state lawsuit was brought against Microsoft in 1992 representing 8,558 current and former employees that had been classified as "temporary" and "freelance", and

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became known as *Vizcaino v. Microsoft*. The Final Settlement came in 2005. The case was decided that such “permatemps” had their jobs defined by Microsoft, worked alongside regular employees doing the same work, and worked for long terms. After a series of court setbacks including three reversals on appeal, Microsoft settled the suit for US \$93 million.

Taking the above facts into consideration, answer the following questions :

- (i) Analyse the responsibility of Microsoft as a moral obligation arising out of business ethics and why was it an unethical business practice ?  
(5 marks)
- (ii) “Business ethics and corporate governance of an organization go hand in hand”. Elaborate.  
(5 marks)
- (b) Write short notes on the following :
- (i) How corporate governance is analyzed by Cadbury Committee, U.K. ?
- (ii) Enumerate the matters not to be dealt with in a Meeting through Video-Conferencing or other Audio Visual means.
- (iii) Stakeholder’s analysis is a key part of Stakeholder Management. Discuss.
- (iv) Discuss the provision related to disclosure of Related Party Transactions (RPTs) in annual report according to Listing Regulations, 2015.
- (v) Discuss the provisions of Vigil mechanism under SEBI Listing Obligations and Disclosure Requirements, Regulations, 2015.  
(2 marks each)
- (c) “The Independence of independent directors is one of most debated aspects in Corporate Governance”. In the light of this statement, state the criteria for performance evaluation of independent directors as stipulated in the Companies Act, 2013 and listing regulations.  
(5 marks)

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

2. (a) As a Company Secretary of Rockfort Ltd., prepare a Board note listing out the items that should be included in the Board Charter.
- (b) “Good corporate governance practices cannot guarantee corporate success, but the absence of such governance definitely lead to questionable practices and corporate failures, which surface suddenly and massively”. Discuss this statement and highlight the need for business ethics.
- (c) “Better stakeholders engagement ensures good governance”. Analyse this statement in the context of employees as stakeholders.

*(5 marks each)*

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

- 2A. (i) Due to mismanagement, a significant number of members of XYZ Company Ltd. have filed a Class Action Suit against the company. Explain the concept and state the emerged claims and powers of acting members in this context.
- (ii) “A good practice is to designate an independent director as a Lead Independent Director”. Elucidate the role of Lead Independent Director according to Companies Act, 2013.
- (iii) “Employees participation in Corporate Governance system can be found in many countries and corporations throughout the world”. In the light of this statement, discuss some of the important examples for ensuring good governance by employees.

*(5 marks each)*

3. (a) “UK Stewardship Code, 2012 aims at enhancing the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities”. In the light of this statement, state briefly the principles of UK Stewardship Code.
- (b) “All listed companies having a market capitalization of ₹ 1,000 crore or more, should mandatorily form an Investor Relation Cell to strengthen Corporate Governance Framework”. Explain the contribution of Sarbanes-Oxley Act in this context.
- (c) Discuss the Clarkson Principles of Stakeholders Management.

*(5 marks each)*

4. (a) Your Company is planning to adopt a code of corporate governance based on international best practices. In this connection, Chairman wants to know about the corporate governance framework in South Africa. As a company secretary, prepare a note on Corporate Governance framework in South Africa.
- (b) As a strategy CalPERS invests in sick and ailing companies where it employs good governance practices to improvise company’s overall performance. CalPERS issued Global principles of accountable Corporate Governance. Give a brief account of any ten core principles of accountable corporate Governance.
- (c) You are appointed as wholetime company secretary of a company having a paid-up capital of ₹ 5 crore. Being the secretary of such a company state the functions of a company secretary as prescribed by the Companies Act, 2013.

*(5 marks each)*

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**PART—B**

5. (a) XYZ Co. Ltd. is a socially responsible Company. The Board of company ensures that the company will spend on CSR activities in every financial year. Being a company secretary advice the Board what they need to keep in mind regarding expenditure on CSR ?
- (b) Discuss the UN Global Compact, a strategic policy initiative in the areas of human rights, labour, environment and anti-corruption. How can companies align with these principles ?
- (c) “Government regulations and public policy tend to bring the bare minimum involvement by the corporate towards their corporate responsibilities. Beyond this legal framework initiatives, corporates should come up voluntarily”. Explain.

*(5 marks each)*

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

6. Write short notes on the following :
- (a) Corporate Social Responsibility Audit
- (b) International Labor Organization (ILO)
- (c) Carbon footprint and carbon offsetting
- (d) Integrated Reporting and Sustainability Reporting
- (e) Business Responsibility Report.

*(3 marks each)*

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

- 6A.** (i) Organizations should set its goal towards creation of absolute value to the society. Explain the statement elaborating on the key aspects that a company should focus on as a good corporate citizen.
- (ii) Discuss the application of Law in the 'principle of absolute liability' payable by an enterprise which is engaged in a hazardous activity that poses a potential threat to the health and safety of employees.
- (iii) As the Company Secretary of AA India Limited, you are required by the Chairman to prepare a note for the Board of directors highlighting the available framework for sustainability reporting.

*(5 marks each)*

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