

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA – SEMESTER -IV – OFFLINE MCQ TYPE EXAMINATION – SUMMER 2021****Subject Code:2840003****Date: 12/08/2021****Subject Name: Business Ethics and Corporate Governance****Time:10:30 am to 11.40 am****Total Marks:56****Instructions:**

1. Each MCQ Carries 1 mark.
2. There is no negative marking.
3. There are total 70 MCQs.
4. Use of non-programmable scientific calculator is permitted.
5. Best 56 out of all attempted MCQs will be counted for result.
6. Use only OMR to answer this question paper.

Q. No	Question Text	Option A	Option B	Option C	Option D
1	What is Ethics?	It is society's notion of rightness and wrongness	It is an expected behaviour	It is law of the land	The universal truth
2	Which statement is true?	Ethics is synonymous to religious preaching	Ethics is the principle that guide the human behaviour	The terms 'ethics' and 'morality' are not synonymous terms	Ethics is equal to law
3	Ethics is concerned with human	Greed	Behaviour	Psychology	Satisfaction
4	Business ethics deals primarily with	Social responsibility	The pricing of products and services	Moral obligation	Being unfair to the competition
5	Which of the following assumption about moral behavior is reasonably justified?	People usually behave morally	Moral standards of religious people tend to be higher than the atheists	Social situations provide the best stimulus to moral action or inaction; i.e social pressure determines moral action/inaction	Education provide stimulus to moral action. i.e. more educated people tend to behave morally
6	The goal of corporate governance and business ethics education is to:	Teach students their professional accountability and to uphold their personal Integrity to society.	Change the way in which ethics is taught to students	Create more ethics standards by which corporate professionals must operate.	Increase the workload for accounting students.
7	An organization's appropriate tone at the top promoting ethical conduct is an example of	Ethics sensitivity	Ethical behaviour	HR ethics	Consequentialist
8	Benefits derived from social responsibility include	Enhanced public image	Producing better products	Earn more profit	Reducing Cost of production

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9	Difference between morality and ethics is	Morality is based on religious beliefs whereas ethics are based on social norms	Morality can be taught whereas ethics can not be taught	Morality involves individual disposition, whereas ethics are applied in social system.	Morality is absolute whereas Ethics is relative
10	Which of the following does not contribute to the development of a manager's standard of ethics?	Society's norms and values	Competitor behaviours	Individual life experiences	environmental situations
11	Milton Friedman stated his belief that 'there is only one social responsibility' for a company to use its resources to	Give as much to charitable causes as possible	Ensure employment	Provide good facilities for workers	Increase profits so long as it stays within the rules of the game
12	The teleological theory is basically concerned with	Morality	Intentions and Motives	End or Consequences	Virtue
13	Which of the following statements is most appropriate to describe deontological ethics?	The central idea is that the right or wrong consideration is what makes the act right or wrong, other things being equal	The central idea is that an adherence to the codes prescribed under the duty one is employed in makes for the right action	The central idea is that right and wrong are relative to time and circumstance	The central idea is that right and wrong are determined by humans according to their subjective conscience
14	Two rules for determining determining right duty in Kantian Categorical Imperatives are	Reversability and Universality	Morality and Ethics	Obedience and Coersion	Utility and Acceptability
15	If you believe in making decisions for the good of most people, you can be described as following which school of thought?	Teleological	Kantian	Egoism	Utilitarianism
16	Rights are	Power to control	Liberties to do anything	Empowerment or Entitlements	Obligations to the society
17	Utilitarianism has been explained as the theory of	Net benefit	Net cost	Justice	Rights
18	The HR policy which is based on the philosophy of the utmost good for the greatest number of people is covered under the	Approach based on Justice	Utilitarian Approach	Approach based on Rights	Approach based on Duty
19	You help to rush an unknown accident victim to hospital without worrying about consequences. Which ethical principle is guiding this behaviour?	Utilitarian principle	Principle of justice	Principle of care	ego based principle

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20	Providing minimum wages, safety, clean drinking water and good work environment is guided by ----- ethical principle.	Moral obligation	Justice	Duty	Rights
21	If a child is good because they do not want to avoid punishment, which stage are the students in?	Pre conventional Stage	Conventional Stage	Post Conventional Stage	Principled Stage
22	The ethical dilemma of choosing between two rights refers to	Deciding to offer a bribe or lose out on an important opportunity	Deciding which of two employee rights is the most important	Choosing between the lesser of two evils	Choosing between the two types of sexual harassment
23	Following are sources of ethical dilemma except	Failure of personal character	Conflict of personal values & organizational goals	Organizational goals versus social values	Firm's public image
24	An organisation's obligation to act to protect and improve society's welfare as well as its own interests is referred to as	Corporate social responsibility	Organisational social responsiveness	Corporate obligation	Business ethics
25	The basic idea if distributive justice is	To treat everyone equally	Punishment for the wrong doing	Ensuring compensation for the injustice done in the past	Ensuring fairness
26	Which of the following is not usually the objective of a code of ethics?	To create an ethical workplace	To evaluate the ethical components of the proposed actions of the employees	To improve the public image of the company	To enhance the profits of the business continuously
27	Which of the following factors is not responsible in shaping the ethical behaviour of the members of an organization?	The supervisor's behaviour	organizational culture	code of ethics	Person's religious beliefs
28	A firm is said to have good corporate social performance when	Stockholders invest in socially responsible causes	Stakeholders are satisfied with its level of social responsibility	The company has not been convicted of ethical violations for five consecutive years	Charitable deductions are automatically deducted from pay without the consent of employees
29	Management's social responsibilities include all of the following except	Economic	Legal	Caretaker	Ethical
30	What is meant by CSR?	Corporate Social Responsibility	Company Social Responsibility	Cosporate Social Relationship	Company Social Relationship
31	Social responsibility is the performance of activities by a private enterprise without the _____ in its philosophy.	Expectation of direct economic gain or loss	Expectation of positive result	Expectation of concessions	Expectation of awards and recognition
32	_____ responsibility of a firm is at the base of Caroll's model of CSR	Political	Economic	Legal	Moral

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33	What is a socially responsible firm is expected to do?	Pay tax regularly	Conduct regular meetings with workers	Meet government officials on time	Does not hide the pollution emission by its firm
34	Socially Responsible Corporate can enjoy the following advantages	Increased Profit	Get favorable treatment from banks	Get more government contracts	Enhanced brand image and reputation
35	People who are critical of CSR argue that	Money rightfully belongs to shareholder, so should not be wasted	CSR does not help to improve image of the firm	All businesses are fundamentally ethical, so no need to spend on CSR	Business has nothing to do with the societal problems
36	Expenditure towards CSR under the Company's Act 2013 is	Voluntary for all	Mandatory for all	Mandatory for the companies with turnover of Rs 1000 crores or more	Mandatory for all listed companies
37	The financial practice that follow required law but does not provide true and fair view of the company is known as...	Financial Accounting	Creative Accounting	Managerial Accounting	Economic Accounting
38	Companies adopt creative accounting practices....	To be fair with customers	Out of ignorance	To attract investors	To provide positive views on expectations and security valuation
39	Which of the following companies adopted creative accounting practice that caused a major fraud in India?	ICICI Prudent	Satyam Computers	Jet Airways	Sahara group of companies
40	Who among the following can play a crucial role in identifying accounting fraud?	Accountant	Manager	Auditor	Supervisor
41	A whistleblower is someone	Who stands by the management in all ups and down of the firm's performance	Who discloses information about misconduct in their workplace that they feel violates the law or endangers the welfare of others.	Who is a social worker	Who is concerned about company's reputation
42	Which of the following characteristics is observed in a whistle blower?	Altruistically motivated	Head strong behaviour	Concerned about the personal reputation	Who is an egoist
43	Ethical Leaders are the one who	Demonstrates character, morals and virtue in their work focusing on the needs and rights of the employees	Leads Employees in proposing their demand	Guides employees in their work	Who develops templates of ethical behaviour for the employees
44	Bribery and corruption, tax evasion, money laundering, counterfeiting and piracy, and human trafficking are all instances of _____.	Disadvantages of globalisation	Impact of economic slow down	Irregular government policies	Crimes

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45	Corporate Governance broadly refers to	The way company is framing its business strategy	The way company is dealing with its shareholders	The rules, processes or laws by which businesses are operated, regulated and controlled	Control of government over the corporatte sector
46	Need for effective Corporate governance has increased as Economies have been becoming more integrated due to	Privatisation	Globalisation	Corporate Governance	Foreign Investment
47	Need for modern corporate governance arises when	The management is seperated from ownership	When management is considered as supreme in business decision making	When role of shareholders in the company increase	When government wants to control Corporate sector of the country
48	When corporates fail to follow ethical practices	The people who suffer directly are the investors	Company may gain more market power	They are encouraged by the financers as it gives quick profits	It does not bother customers
49	Which of the following statements describe difference between management and governance?	Governance means absolute power whereas management means relative power	Governance of a firm reflects commitment of firm to its profitability whereas management reflects firms efforts to its visibility	Governance aims at fulfilling all the stake holders' expectations,where as management aims at prudent utilization of organizational resources	Governance deals with human beliefs whereas management deals with material resources
50	Who is considered to be playing the pivotal role in corporate governance?	The Corporate governance Committee	The Board of directors	Chairman of the company	The auditor
51	As per the Agency Theory of corporate governance....	Principlas are the board of directors and agents are the shareholders	Principals are the managers and the agents are board of directors	Principals are the shareholders and agents are the managers	Principals are the customers ans agents are the board of directors
52	Which of the following is the crucial reason for appointment of agents as per the Agency theory?	Bribery	Absenteesim	Information Asymmetry	Corporate Vigilance
53	Which theory of corporate governance is based on the perception that a corporation for its effective function has to forge a number of relations with different classes including suppliers, consumers, employees, government and so on?	Principal-Agent theory	Stakeholder's theory	Dependency Theory	Transaction cost theory

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54	The Shareholders' theory of Corporate governance stems from the idea that	Shareholders alone are the rightful owners of a company	Shareholders are the agents of a company	Shareholders are the principals of a company	It is a duty of shareholders to attend all AGMs of the company to ensure good corporate governance
55	An executive director is	Someone who executes company's operations	An executive of the company and who is also a member of the Board of Directors	An executive who is given responsibility to represent the company before the government	A director who is appointed as a chairman of the company
56	Independent director are	Those who are free from any business operations, which could materially interfere in their independent judgment as a member of the board	Those who speak independently	Those who are appointed by the government	Who are working independently
57	The directors who are expected to bring impartiality, objectivity and independence in their decision making are	Non executive Directors	Executive Directors	Auditors	Promoters
58	The chairperson of the board of directors and CEO should be leaders with	The ability to influence employees	Vision, problem solving skills and business acumen.	Good orating skills	With political connections
59	A board that is elected in a classified system is known as a	Diversified board.	Staggered board.	Rotating board.	Declassified board.
60	As per SEBI, which clause introduced standard listing agreement to be followed by all the listed companies in India?	Clause 28	Clause 40	Clause 49	Clause 48
61	The Sarbans -Oxley Act was passed in the year	1995	2000	2002	2005
62	The SEBI Act was passed in India in	1990	1992	2000	2005
63	The Clause 49 of the SEBI act requires the proportion of the non-executive directors in the BOD should not be less than	0.3	0.4	0.5	0.6
64	According to clause 49, What should be the maximum gap between two board meeting?	125 days	120 days	200 days	500 days

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65	Who recommended to insert clause 49 on corporate governance in the listing agreement in 2000 which was revised in January 2006?	Kumarmangal am Birla Committee	Naresh Chndra Committee	Marayan Murthy Committee	Rahul Bajaj Committee
66	The Kumar Maglam Birla Committee was set by SEBI in the year	2000	2005	2010	2015
67	The Narayan Murthy Committee was set up to	To review SEBI's jurisdiction	To give recommendations to update Company's Act	To give recommendation to improve performance of IT companies	To review Clause 49, and suggest measures to improve corporate governance standards.
68	The Narayan Murthy Committee's suggestion for the audit committee	All members must have an approval of shareholders	All members should be financially literate, with at least one member having accounting or related financial management expertise.	All members must be independent from company's affair	All members must have atleast 20 years of work experience
69	The committee setup by the Reserve Bank to review the supervisory role of Boards of banks and financial institutions is known as	Ganguly Committee	Bitla Committee	Pandit Committee	Murthy Committee
70	How many independent directos are required by a listed company as per Companies Act 2013	At least 1/5th	At least 1/3rd	At least 1/2	At least 1/4th
