

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA– SEMESTER -I - EXAMINATION- SUMMER-2023

Subject Code: 4519205

Date: 15/07/2023

Subject Name: Business Ethics & Corporate Governance

Time: 02:30 PM TO 05:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make Suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q. No.	Question Text and Description	Marks
Q.1	<p>Explain the terms:</p> <ul style="list-style-type: none"> (a) Code of ethics (b) Utilitarianism (c) Ethical Dilemma (d) Creative Accounting (e) Ethical audit (f) Insider trading (g) Intrinsic value 	14
Q.2	<p>(a) Explain Objectives of Creative Accounting.</p> <p>(b) Ethical dilemma is generally faced by all employees in his/her working tenure. Discuss in detail ethical dilemma and the method of resolving the same.</p> <p style="text-align: center;">OR</p> <p>(b) Explain Kohlberg's six stage model of cognitive development as why people make different decisions in similar ethical situations.</p>	7 7
Q.3	<p>(a) List and explain the various categories of management morality. What are some of the important drivers of unethical business behavior?</p> <p>(b) Write a note on: Whistle Blowing. How this can be avoided in business?</p> <p style="text-align: center;">OR</p>	7 7
Q.3	<p>(a) What is the Sarbanes-Oxley Act? Explain with reference to corporate governance.</p> <p>(b) Discuss the Models of Corporate Governance.</p> <ul style="list-style-type: none"> a. Indian model. b. Anglo American model. 	7 7
Q.4	<p>(a) 'Corporate Social Responsibility (CSR) can be made an effective strategy for good governance'. Justify the statement.</p> <p>(b) Discuss some Potential Risks of Poor Corporate Governance with examples in brief.</p> <p style="text-align: center;">OR</p>	7 7
Q.4	<p>(a) Explain various rights of Shareholders?</p>	7

- (b) A Corporate Governance Code is an important requirement for listed companies. Some argue that such a Code should be mandatory for all companies. Discuss the benefits of having a Corporate Governance Code to shareholders and other interested users of financial statements. 7

Q.5 Case Study: Buying Morals

J.R. and his family moved permanently after accepting a post at Cripple Creek Vocational University (CCVU). J.R. soon attained the position of Administrative Vice President, in charge of the University's buying division. Jim, his eldest son, landed a great position selling educational equipment at Fort Worth's Tiddley Computer Corporation.

J.R. recognized the need for four to five computers in his office as vice president right away. Even though CCVU had a bid policy, J.R. paid Tiddley Corporation straight for their computers, which cost around \$3500 per piece, at a time when IBM clones were retailing for about \$2000 each and the clone offered more appealing features than the Tiddley. Jim handled the sale and earned a respectable commission. The TC model wouldn't have been chosen if the acquisition had been done through the standard tendering procedure. The local Tiddley franchise dealer in Cripple Creek complained to the Tiddley Corporation that the deal had skirted his protected franchise. What you want altered should go here. After that, click the button below. It's that simple!

- (a) Since J.R. was over the purchasing department and had final decision authority, should purchasing have gone through the normal bidding routine? 7
- (b) Has Tiddley's Cripple Creek franchise owner been wronged? If you were a member of the CCVU faculty, what would you do? 7

OR

- Q.5** (a) Is it acceptable for a V.P. to bypass the normal routine to do business with a family member? Was J.R.'s decision not to request bids an ethical choice? 7
- (b) Should anyone else at CCVU have any interest in this activity? 7
