

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (PART TIME)– SEMESTER 1– EXAMINATION WINTER– 2018

Subject Code: 4519901**Date: 29/12/2018****Subject Name: Business Ethics and Corporate Governance****Time: 10:30 AM To 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

Q. No.	Marks
Q.1 Define the terms with suitable explanation	14
(a) Corporate Governance (b) CSR (c) CGR (d) Managerial Ethics (e) Whistle Blowing (f) Ethics of Care (g) Creative Accounting	
Q.2 (a) 'If an action produces most utility, is it always moral?' Discuss the statement in light of the Utilitarian approach to ethics.	07
(b) What is your understanding of an ethical leader? What do you think should be the qualities of an ethical leader to lead the nation?	07
OR	
(b) Discuss the Kohlberg's six stage of moral development to establish any violation of moral responsibility.	07
Q.3 (a) 'The rights of individuals are also intricately joined with the duties of the individual in an organization.' Discuss the statement.	07
(b) "Independent directors are known to bring objective view in Board deliberations. They also ensure that there is no dominance of one individual or special interest group or the stifling of healthy debate. They act as the guardians of the interest of all shareholders and stakeholders, especially in the areas of potential conflict." Discuss the above statement in the light of Clause 49 of the listing agreement.	07
OR	
Q.3 (a) 'Corporate Social Responsibility (CSR) can be made an effective strategy for good governance'. Elucidate the statement.	07
(b) Why do you think so many big corporate got into business troubles since late 1990s? What measures were taken by USA as well as India to contain the problem of non-transparent governance of listed companies since 2001?	07

Q.4

CASE STUDY:

Arthur Edward Anderson (1885-1947), the founder of Arthur Anderson & Co. must have turned in his grave in 2001, as the auditor firm founded by him became a synonym for scandal in the accounting profession. On 15th August 2001, Sherron Watkins, an employee of Enron, questioned the company's accounting practices, in a single-page letter to its CEO. Enron, the energy giant that ruled the world, and its auditor Arthur Anderson & Co., became the ridicule of the world. In early 2002, the US Justice Department began criminal investigations into Enron's bankruptcy. In 2002, Arthur Anderson was convicted by the lower and appellate courts for obstruction of justice. The firm had worked hand in glove with Enron and cooked its account books. The audit firm that once had an 85,000 strong workforce now had closed offices and business interests around the globe. The firm's name is so tarnished that there is no other business going on in it, other than attending to over a hundred civil suits.

- (a) What do you think can be the outcomes of an accounting fraud to the society and business at large? **07**
- (b) Why do you think that the history of accounting fraud repeats itself, such as so many frauds which we have heard after Enron scandal? **07**

OR

- Q.4** (a) Describe the CRISIL methodology for CG Rating. **07**
- (b) Write a detailed note on Sarbanes Oxley Act. **07**

Q.5

CASE STUDY:

A junior member of staff has just returned to work after taking special leave to care for her elderly mother. For financial reasons she needs to work full-time. She has been having difficulties with her mother's home care arrangements, causing her to miss a number of team meetings (which usually take place at the beginning of each day) and to leave work early. She is very competent in her work but her absences are putting pressure on her and her overworked colleagues. You are her manager, and you are aware that the flow of work through the practice is coming under pressure. One of her male colleagues is beginning to make comments such as "a woman's place is in the home", and is undermining her at every opportunity, putting her under even greater stress.

- (a) In light of the above case, elaborate the ethical dilemma. **07**
- (b) How should you proceed so as not to discredit yourself, your profession or the practice for which you work and at the same time maintaining integrity and confidentiality in your actions? **07**

OR

- Q.5** (a) How important are Independent Directors in an organization. Give your opinion. **07**
- (b) Write a detailed note on the principles and structure of corporate governance. **07**
