

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA (PART TIME) SEMESTER V EXAMINATION WINTER– 2019****Subject Code: 3559903****Date: 02/12/2019****Subject Name: Business Ethics & Corporate Governance****Time: 10.30 AM TO 01.30 PM****Total Marks: 70****Instructions:**

- **Attempt all questions.**
- **Make suitable assumptions wherever necessary.**
- **Figures to the right indicate full marks.**

- Q.1** Give short answers to the following terms. **14**
- Moral Values
 - Sarbanes-Oxley Act
 - Creative Accounting
 - Corporate Governance Rating
 - Utilitarianism
 - Categorical Imperative
 - Shareholder Rights

- Q.2 (a)** Why is business ethics important? Why is it an important tool in developing a good business reputation? **07**
- (b)** What is Consequentialism? Explain with suitable examples. **07**

OR

- (b)** Who is a Director? What are the duties and responsibilities of a Director? **07**
- Q.3 (a)** What is corporate governance? How can it enhance the prospects of a business unit? **07**
- (b)** What is whistle blowing? Explain the characteristics of a whistler blower. **07**

OR

- Q.3 (a)** What is social responsibility of business firms and how it can be achieved? **07**
- (b)** Explain the recommendations of the Naresh Chandra Committee constituted for good corporate governance. **07**

Q.4 CASE STUDY:

A former employee by the name of Sunita, who was removed from job due to poor quality work, absences, and lateness related to her drinking problem, informs Amit, a colleague, that she has applied for a position at another company and has already given Amit's name as a reference. She desperately needs a job (she is a single parent with three children), and she asks Amit to give her a good recommendation and not mention her drinking, which she assures that it is now under control. She also asks him to say that she "voluntarily left the company to address a family medical crisis, and that the company was pleased with her work." Amit likes this person and believes that she is a good worker when she is not drinking. But Amit still has doubts

that she really has overcome her drinking problem, and would not recommend his own company to hire her back again.

- (a) Is Amit facing an ethical dilemma? Can he resolve it? **07**
- (b) What would Amit say to an employer who calls him for a reference? **07**

OR

- Q.4** (a) Do you think an ethical dilemma has been created? What should Amit do? **07**
- (b) What values are at stake? Do some of the values conflict with one another? **07**

Q.5 CASE STUDY:

Sarah Hayden graduated in communication major from Santa Clara University. This was a perfect time - at the height of the dot-com boom. However, her professors predicted, the "boom" wouldn't make it in the long term. Sarah was pursuing an entry-level corporate position. But she had the sense during the interview process that the company wasn't going to make it; the product they provided lacked innovation. Despite what she thought, the company gave her an attractive job offer and aggressively pursued her while she had to decide whether to take the offer or not. They routinely sent her flowers and, after one week, upped the original offer. After Sarah received the better job offer, she received a call from one of the major venture capitalist firms that was funding the dot-com. This top-tier VC firm said that they were giving full funding for the fourth quarter. This information changed Sarah's mind. She figured that if they were continuing to get funding, then maybe the company could survive past the one-year mark. Sarah took the job.

But after just a week in the office, she realized the other employees were incompetent. Three weeks later, nearing the beginning of the fourth quarter, the company came within inches of not getting their next round of funding from venture capitalists. Sarah felt betrayed by the venture capitalist firm that gave her initial hope. Just weeks later, the CEO of the dot-com company suddenly moved to New York and the whole company shut down. She was back on the job market.

- (a) Was Sarah treated fairly in the situation? Justify your answer. **07**
- (b) Was the venture capitalist firm ethically wrong by lying about the amount of funding? **07**

OR

- Q.5** (a) Was the company fair to Sarah? Justify your answer. **07**
- (b) Is it Sarah's fault for not looking into the company? Or is it the company's fault for misleading Sarah? Explain your choice. **07**
