

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER –I-EXAMINATION – WINTER-2022

Subject Code: 4519205**Date: 27/02/2023****Subject Name: Business Ethics & 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.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

- Q.1** Definitions / terms / explanations / short questions **14**
- (a) Explain terminal values with examples.
 - (b) Define Corporate Governance.
 - (c) What is Utilitarianism?
 - (d) What are the three types of morality exhibited by people?
 - (e) What is an Ethical Dilemma?
 - (f) Which committee was constituted for Governance in Banking Sector and by which regulatory body?
 - (g) What is Teleological ethics?
- Q.2** (a) Discuss the various stages of Moral Development as suggested by Lawrence Kohlberg. **07**
- (b) What are the motivations behind Window Dressing of Accounting statements? Describe few techniques adopted by companies for Creative Accounting. **07**
- OR**
- (b) In which circumstances or situations, there is a need for Whistle Blowing? What are the points to be considered by a Whistle Blower before blowing a Whistle? **07**
- Q.3** (a) What are the underlying fundamental principles of Corporate Governance? **07**
- (b) Explain the mandatory recommendations made by Narayan Murthy Committee for Corporate Governance in India. **07**
- OR**
- Q.3** (a) Explain Japanese Model for Corporate Governance. **07**
- (b) Why there is a need for Corporate Governance? Express your views. **07**
- Q.4** (a) Discuss the rights and responsibilities of shareholders. **07**
- (b) Under Section 135 of the new Companies Act 2013, CSR is compulsory for all companies, private or otherwise. What are the Fiscal Criteria which mandates a company to undertake CSR activities? What are the requirements related to CSR committee of the board for such companies? **07**
- OR**
- Q.4** (a) Explain Various Committees of the Board of Directors. **07**
- (b) Explain the Criteria of Governance & Value Creation (GVC) taken under consideration by CRISIL for Corporate Governance Rating. **07**

Q.5**CASE STUDY:**

To contain the spread of COVID pandemic, in 2020, a 21-day national lockdown was announced on 24 March until 14 April which was further extended until May 03. A third lockdown extending until 17 May was announced on 1 May. This was followed by a fourth lockdown till 31 May 2020, and a fifth lockdown for containment zones.

Although employed to save lives, these methods have increased the struggle for many of India's citizens, especially the poor and marginalized communities. The lockdown measures have caused extensive damage and destroyed many lives and livelihoods, leading to an ethical and economic crisis.

India has some of the most densely populated cities in the world. Here, social distancing is practically impossible. A large number of migrants, who had moved to cities for a better livelihood, often lives in tenements or chawls under unsanitary conditions; the small rooms in these chawls house up to 6 members. For most of these migrants, working as daily wage laborers, life came to a standstill once the lockdown was announced. Millions were stranded in cities with no source of livelihood. Many were evicted from their rented accommodations. Furthermore, once the train and bus services were suspended and borders were sealed, they had no means of transport. This forced them to walk several hundred kilometers to their hometowns and villages. Although the authorities tried to arrange transport and accommodation, it was too little, too late. Many could not stand the strain of this arduous journey and died enroute. Millions of people in cities, even in the lower and upper middle class, lost their jobs; several micros, small, and medium enterprises were forced to shut down. The lockdown has restricted consumption, thus affecting the supply and demand chain. This has in turn affected the employment prospects for the people. Consequently, there are no jobs and the economy has been adversely affected.

Also, during the pandemic, the "front line" workers like doctors, nurses, and paramedics faced specific situations which include extended workloads, feelings of powerlessness when trying to contain the large number of patients, concerns about the suffering and potential poor outcomes of their patients, preoccupations about potential shortages of intensive care resources (including personal protective equipment), the fear of transmitting the disease to their loved ones, and apprehension about possible involvement in ethically difficult resource allocation decision-making. This situation has created a high level of uncertainty and insecurity that constitutes a risk to the mental health of caregivers. Other issues were, scarcity of medical resources like ICUs, beds, respirators, medicines, personal protective equipment & issues in resource allocation, loss of trustworthiness in health care provision and systems, issues of handing over and disposal of dead bodies, and so on.

On the other hand, many healthcare opportunists resorted to unethical practice such as falsified positive cases for increasing medical bills, monopoly actions of medical products, black marketing of specific injections, prices inflation of certain medical treatments, refusal of trial and admittance of patients.

Measures taken by the community, industry and government were distribution of free masks, provision of cardboard beds for isolation centers, lending public halls and schools for isolation centers, work from home, half wages, food for the needy, free vaccination, voluntary services rendered by many to dispose of the corpses with dignity.

- (a) What is the ethical dilemma faced by the government while taking a decision to announce a lockdown or not? How you will justify the lockdown decision of the government. Weigh the gains of the lockdown against the harm caused by it and see whether the gains outweighed the harms or not. **07**
- (b) What are the measures taken by the government, and community at large during the pandemic? What values are exhibited by these actions? **07**

OR

- Q.5** (a) Is it justified to expose the life of medical practitioners and their family members to threats and save the lives of citizens? Explain in light of ethical theories that you have learnt. **07**
- (b) What are the genuine ethical issues faced by healthcare sector during the pandemic? What are the other issues created by immoral opportunists? **07**
