

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA - SEMESTER- IV EXAMINATION – WINTER 2015**

**Subject Code: 2840003****Date: 30/11/2015****Subject Name: Business Ethics and 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.

- Q.1 (a)** Answer the questions given at the end of the Case hereunder: **07**
- Ramesh has been hired as an intern under the Internship Program in the Auditing Section of a well-known firm in Mumbai. After working there for a month, Ramesh noticed what behavior is acceptable and what is not. The attitude of the employees appeared to be “laid back.” They knew that their bosses wouldn’t discipline them for overlooking rules of the firm. For example, employees did not turn in “expense accounts” as they did not think it important. One honest employee has rightly said, “Nobody submitted receipts to verify reimbursements.” In fact, when Ramesh tried to turn in his receipts with his expense report, he was told that nobody turned in receipts and that he did not need to do the same. Turning in the receipts was the proper procedure as indicated in the firm’s rules. Also, the employees used the company telephones for personal purpose, which is incidentally prohibited under the firm rules. What is more is that one employee even told Ramesh that he can take what he likes related to pencils, pens, and papers for office and home use.
1. What can Ramesh do about this situation beyond saying “I resign?”
  2. If Ramesh was the boss in the auditing section, how would he go about changing the rules?
- (b)** Discuss the concept of Utilitarianism and Kantianism. **07**
- Q.2 (a)** How difficult is ethical decision-making? What are the steps to ethical decision-making? Identify the weaknesses in the process. **07**
- (b)** Discuss the three dimensions of ethical leadership. **07**
- OR**
- (b)** What is business ethics? Explain the nature of business ethics. **07**
- Q.3 (a)** What is corporate social responsibility? How does it help in improving governance of companies? **07**
- (b)** Explain the recommendation of the Narayanmurthy Committee Report on Corporate Governance. **07**
- OR**
- Q.3 (a)** Discuss the features of Corporate Governance practices in India. **07**
- (b)** What is whistle-blowing? Under what circumstances is whistle-blowing justified? **07**
- Q.4 (a)** How are independent directors different from other directors? What is the role of independent directors in creating good corporate governance? **07**
- (b)** Discuss the Models of Corporate Governance. **07**
- OR**

- Q.4** (a) What is the Sarbanes-Oxley Act? Explain with reference to corporate governance. **07**  
(b) Discuss the Naresh Chandra Committee recommendations on corporate governance. **07**
- Q.5** (a) Explain creative accounting and how it has created business scandals with illustrations. **07**  
(b) Discuss Kohlberg's six-stage of moral development with illustration. **07**
- OR**
- Q.5** (a) Discuss the rights and responsibilities of shareholders. **07**  
(b) Discuss the role and responsibilities of Directors with regard to the provisions of the SEBI clause 49. **07**

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