

Roll No.

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 3

PART — A

*(Answer Question No.1 which is compulsory
and any two of the rest from this part.)*

1. (a) "The controlled mis-governance is a type of fraud that is perpetrated by the person(s) running the company. In such situations, the management deceptively leads all the stakeholders to believe that the company is being run superbly successfully, while in reality it is led to bankruptcy." With reference to the statement, examine the issues and challenges in Corporate Governance citing relevant case(s) of corporate scams.
- (10 marks)*
- (b) State, with reasons in brief, whether the following statements are true or false :
- (i) Insurance is a method of risk avoidance.
 - (ii) Insider may not simply steal the earnings.
 - (iii) Remuneration committee is constituted to determine the remuneration of CEO only.
 - (iv) In terms of Clause 49 of the listing agreement, 'related party transactions' are prohibited.
 - (v) Internal control plays an important role in preventing and detecting fraud and protecting the organisation's resources.
- (2 marks each)*
2. (a) Write short notes on **any three** of the following :
- (i) CEO/CFO certification
 - (ii) Relationship between directors and managers
 - (iii) Task force on corporate excellence through governance
 - (iv) Corporate philanthropy and corporate social responsibility (CSR).
- (3 marks each)*
- (b) Describe the tools used by the institutional investors to assess the health of a company before investing resources in it.

(6 marks)

3. (a) "The Global Corporate Governance Forum's mandate is to promote global, regional and local initiatives that improve Corporate Governance policy standards and practices in developing countries." Elucidate this statement. (5 marks)
- (b) "To enable better and more focused attention on the affairs of the company, the Board delegates particular matters to committees of the Board set-up for the purpose but the ultimate responsibility lies with the Board." In the light of the statement, discuss the need and advantages of committee management. (5 marks)
- (c) What is 'risk retention' ? Distinguish between 'risk retention' and 'risk transfer'. (5 marks)
4. (a) Elaborate the provisions in respect of the composition of audit committee under the following : (3 marks each)
- (i) Listing agreement as prescribed by SEBI.
 - (ii) NYSE listing rules.
 - (iii) Section 292A of the Companies Act, 1956.
- (b) Discuss the background stating some case laws, which brought about the development of insider trading law. (6 marks)

PART — B

(Answer ANY TWO questions from this part.)

5. (a) Most of the companies begin the process of establishing organisational ethics programme by developing codes of conduct. What are the core values or principles contained in these codes of conduct ? Briefly discuss the legal provisions in respect of codes of conduct in India and USA. (6 marks)
- (b) Write short notes on **any three** of the following : (3 marks each)
- (i) Ethics in production
 - (ii) The Caux Round Table
 - (iii) Virtue ethics theory
 - (iv) Characteristics of ethical decisions.

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6. (a) "Writing a code of conduct, supporting it at top levels and communicating it to employees is just a beginning. Companies should have an ethics committee comprising of independent non-executive directors." Enumerate the statement and state the functions of ethics committee. (5 marks)
- (b) Discuss the 'stakeholder concept' stating the principles enunciated by Evans and Freeman. (5 marks)
- (c) What are the challenges of business ethics ? What are the two control systems that can be embodied in an ethics programme ? (5 marks)
7. (a) "Dilemma is a situation that requires a choice between options that are seen equally unfavourable or mutually exclusive". In the light of this statement, elaborate the ethical dilemma. State the steps to resolve an ethical dilemma. (5 marks)
- (b) Explain the concept of 'whistle blower'. How should a company evolve its whistle blower policy ? (5 marks)
- (c) How do good business ethics practices help in attracting and retaining talent in the organisation and achieve customer satisfaction ? (5 marks)

PART — C

8. Attempt *any four* of the following :
- Explain briefly the role of business in sustainable development in the light of UN Global Compact initiative.
 - "The sustainability reporting guidelines developed by the Global Reporting Initiative (GRI), Netherlands, is a significant system that integrates sustainability issues into a framework of reporting." Enumerate the steps to use the GRI reporting framework.
 - State and enumerate corporate sustainability assessment criteria under the Dow-Jones Sustainability Index.
 - Write note on the 'Convention on Biological Diversity'.
 - Explain briefly the regulatory framework and the landmark case laws in respect of water pollution. (5 marks each)

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