

2022

COMMERCE

Paper : CC-304

(Business Ethics and Corporate Governance)

Full Marks : 40

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

You are required to answer all parts of a question sequentially.

Module - I

[Business Ethics]

Answer *any two* questions.

1. (a) Identify any two characteristics of an ethical dilemma by means of a suitable example.
(b) State two reasons why a company should be held morally responsible for its decisions.
(c) Point out one similarity and two differences between Lawrence Kohlberg's 'justice reasoning' and Carol Gilligan's 'care reasoning' with respect to the theory of human moral development.
3+3+4
2. Identify *two* points of difference between : 2½×4
 - (a) Business ethics and Morality
 - (b) Interpersonal concordance orientation and Social contract orientation
 - (c) Deontological ethical reasoning and Virtue-based ethical reasoning
 - (d) Judgment integrity and System integrity.
3. Comment on the validity of the following statements (True/ False/ Partly true) by giving two reasons in support of your argument : 2½×4
 - (a) A 'great company' accomplishes its 'societal purposes' by 'community building'.
 - (b) Ethical decision-making starts with engaging in moral behaviour.
 - (c) The stakeholder value theory of the firm serves as the basis of implementing corporate social responsibility (CSR).
 - (d) Positive rights reasoning is concerned with protection of individuals from unwarranted interference.

Please Turn Over

4. Write short notes on *any two* of the following :

5×2

- (a) Expectant stakeholders
- (b) Individual factors influencing ethical decision-making
- (c) Importance of managing business ethics in large organisations.

Module - II

[Corporate Governance]

Answer *any two* questions.

5. (a) "Just like public governance, corporate governance is governance of affairs of a company by the stakeholders."— In light of this statement, present the similarities between the public governance system and corporate governance system.
- (b) Discuss the key elements of good corporate governance as identified by the Organisation for Economic Cooperation and Development (OECD). 5+5
6. (a) "The principals generally assume that the agent would invariably carry out their objectives, but it does not happen always."— In this context, discuss the managerial negligence problem in the joint stock company.
- (b) What are the different mechanisms to reduce agency cost?
- (c) Mention the different services which cannot be provided by the auditor appointed under the Companies Act, 2013. 2+4+4
7. (a) "Misgovernance has a much bigger ambit than what is indicated by the thieveries in which top managers chose to engage themselves." — In light of this, discuss any five antidotes to corporate misgovernance ensuring the quality of corporate governance.
- (b) What are the recommendations of the Cadbury Committee relating to the Board of Directors of a company to improve the standards of corporate governance? 5+5
8. Write short notes on *any two* of the following : 5+5
- (a) Criticisms of the stakeholder theory
 - (b) Common obligations of listed entities
 - (c) Role of the audit committee.
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