

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER 1 – EXAMINATION – WINTER 2018**

**Subject Code: 4519205****Date: 29/12/2018****Subject Name: Business Ethics and 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.

Q. No.		Marks
<b>Q.1</b>	Explain each term with suitable examples (a) Business ethics (b) Corporate Governance (c) Justice (d) Whistle Blowing (e) Values (f) CSR (g) Director	<b>14</b>
<b>Q.2</b>	(a) What are the various sources of ethics? Explain the nature of ethics.	<b>07</b>
	(b) Describe three Categories of Management Morality with suitable explanation.	<b>07</b>
<b>OR</b>		
	(b) Out of the three normative theories (stockholder, stakeholder & social contract), which one, in your opinion adequately explains the basis for business ethics?	<b>07</b>
<b>Q.3</b>	(a) Explain various rights of Shareholders?	<b>07</b>
	(b) Explain Kohlberg's six stage model of cognitive development as why people make different decisions in similar ethical situations.	<b>07</b>
<b>OR</b>		
<b>Q.3</b>	(a) The management of a company is often different from its owners. Explain the principle that underlies this separation and the challenges that often arise from this relationship.	<b>07</b>
	(b) What is CGR? Describe instruments of credit rating and their functions.	<b>07</b>
<b>Q.4</b>	(a) A Corporate Governance Code is an important requirement for listed companies. Some argue that such a Code should be mandatory for all companies. Discuss the benefits of having a Corporate Governance Code to shareholders and other interested users of financial statements.	<b>07</b>
	(b) Explain Objectives of Creative Accounting.	<b>07</b>
<b>OR</b>		
<b>Q.4</b>	(a) Discuss the concerns or problems with whistleblowing systems and any relevant solutions.	<b>07</b>
	(b) Write a brief note on Indian Scenario of CSR with suitable illustrations.	<b>07</b>

**Q.5 CASE STUDY: Purchasing Ethics**

J.R. accepted a position at Cripple Creek Vocational University (CCVU) and he and his family made a permanent move. Soon, J.R. was promoted to Administrative Vice President, overseeing the purchasing department of the University. His oldest son, Jim, got a good job in educational equipment sales at Tiddley Computer Corporation in Fort Worth.

As Vice President, J.R. quickly saw the need for 4 to 5 computers in his office. Although CCVU had a bidding policy, J.R. purchased Tiddley Corporation's computers direct from Tiddley for about \$3500 each, when IBM clones were selling for around \$2000 and the clone had more promising features than the Tiddley. Jim handled the sale and received a healthy commission on the sale. If the purchase had gone through the normal bidding process, the TC model would not have been selected. Tiddley's local Cripple Creek franchise dealer objected to Tiddley Corporation that his protected franchise had been bypassed in the deal.

- (a) Since J.R. was over the purchasing department and had final decision authority, should purchasing have gone through the normal bidding routine? **07**
- (b) Has Tiddley's Cripple Creek franchise owner been wronged? If you were a member of the CCVU faculty, what would you do? **07**

**OR**

- Q.5**
- (a) Is it acceptable for a V.P. to bypass the normal routine to do business with a family member? Was J.R.'s decision not to request bids an ethical choice? **07**
  - (b) Should anyone else at CCVU have any interest in this activity? **07**

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