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Code No: BA1916

GEC-R14

MBA III Semester Supplementary Examinations, May 2016

BUSINESS ETHICS AND CORPORATE GOVERNANCE

(Master of Business Administration)

Time: 3 Hours

Max. Marks: 60

Note: Answer All Sections of Questions

All Questions from **Section-A** are to be answered at one place.

SECTION-A

6 × 2 = 12M

1. Distinguish between Ethics and Business Ethics.
2. Explain – An action is right if it produces the greatest benefit over the pain to everyone.
3. How are religion, spirituality and ethics related?
4. What are the basic rights of consumers?
5. Explain any two reasons for increase in unethical financial practices.
6. “There is an ethical crisis in Indian Business scene today.” Give your views.

SECTION-B

3 × 12 = 36M

1. a) Explain the four phases of utilitarian principles – consequentialism, hedonism, maximalism and universalism.

(OR)

- b) What is Performance appraisal? Explain the unethical practices which are prevalent during the process of performance appraisal.
2. a) Dipankar was working as a shop-floor supervisor in an electroplating company where he was exposed to toxic fumes of acids. He had previous two heart attacks in his early forties and still suffers from heart ailments. The management of the company terminated his employment considering his health hazards in the job. Though they paid all retiring benefits, but Dipankar was reluctant to retire due to his family commitments. Explain the ethical issues and the relevant challenges of ethical decision making involved.

(OR)

- b) Define Consumer, his rights and explain how consumer was exploited with any two examples
3. a) What do you mean by corporate governance? Suggest measures for promoting good governance in business.

(OR)

- b) What are the duties and responsibilities of Auditors?

SECTION-C

1×12= 12M

CASE STUDY

Manish Rao was in a bind. A recent graduate of a prestigious business school, he had taken a job in the auditing division of Money-managers & Co., a fast-growing leader in the accounting industry. Money-managers relocated Manish, his wife, and their one-year old daughter from his home town to a tier-I city. On arriving, they bought their first home and a second hand car. Manish was told that the company had big plans for him. Thus, he did not worry about being financially overextended.

Several months into the job, Manish found that he was working late into the night to complete his auditing assignments. He realized that the company did not want its clients billed for excessive hours and that he needed to become more efficient if he wanted to move up in the company. He asked one of his friends, Shruthi, how she managed to be so efficient in auditing clients' records. Shruthi quietly explained, "Manish, there are times when being efficient aren't enough. You need to do what is required to get ahead. The partners just want results – they don't care how you get them."

"I don't understand," said Manish.

"Look," Shruthi explained, "I had the same problem you have a few years ago, but Mr. Srinivas Reddy [the manager of the auditing department] explained that everyone eats time so that the group shows top results and looks good. No one cares if a little time gets lost in the shuffle."

Manish realized that "eating time" meant not reporting all the hours required to complete a project. He also remembered one of Reddy's classic catchphrases, "results, results, results." He thanked Shruthi for her input and went back to work. Manish thought of going over Reddy's head and asking for advice from the division manager, but he had met her only once and did not know anything about her.

Questions:-

1. What should Manish do? Explain the process through which Manish might attempt to resolve his dilemma.
2. Consider the impact of this company's approach on young accountants. Why could working long hours be an ethical problem?
