

Reg No.: _____

Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY

First Semester MBA Degree Regular and Supplementary Examination December 2023

Course Code: 20MBA113**Course Name: ETHICS, GOVERNANCE & CORPORATE RESPONSIBILITY**

Max. Marks: 60

Duration: 3 Hours

PART A*Answer all questions. Each question carries 2 marks*

- | | Marks |
|---|-------|
| 1 Mention four key characteristics of <i>Business Ethics</i> . | (2) |
| 2 Enumerate the major ethical issues in Marketing. | (2) |
| 3 Describe any four attributes of <i>Stewardship Theory</i> . | (2) |
| 4 Explain the need of ' <i>Corporate Disclosure</i> ' as a good Corporate Governance. | (2) |
| 5 Brief on the concept of ' <i>Corporate Citizenship</i> '. | (2) |

PART B*Answer any 3 questions. Each question carries 10 marks*

- | | |
|---|------|
| 6 Identify the importance of developing an effective Whistle-Blowing policy for an organization and list down the key components of such policy. | (10) |
| 7 Discuss the major unethical practices in Production & Operations Management. | (10) |
| 8 Appraise the salient features of any three Corporate Governance Theories. | (10) |
| 9 Enumerate the roles and responsibilities of Board of Directors in effective Corporate Governance. | (10) |
| 10 CSR is the self-imposed responsibility of companies to society in areas such as the environment, the economy, employee well-being, and competition ethics". Examine. | (10) |

PART C*Compulsory question carrying 20 marks*

- | | |
|---|------|
| 11 When <i>Kalyani Rafael Advanced Systems (KRAS)</i> was shortlisted for a valuable contract for the development of a coastal defence system for another country, it was contingent on the payment of a ' <i>facilitation fee</i> ' to an official in the defence ministry. Clearly this was an unusual request but it was also made very clear that KRAS would not be awarded the contract, worth \$2 billion over 10 years, unless the relatively modest sum of \$1 million was paid immediately. Recently, business activity in the defence sector had been very slow, and KRAS was about to announce around 500 staff redundancies. Therefore, news that this contract | (20) |
|---|------|

was about to be awarded came as a great relief to the board of KRAS, as the jobs would now be secured. However, only the chief executive officer (CEO) and Director (Operations) knew about the facilitation fee, so an emergency meeting of the board was convened with only one item on the agenda. Due to the very sensitive nature of the matter at hand, it was decided not to make a formal record of the discussions at the board meeting. This was more likely to result in a frank exchange of views and encourage all directors to express their opinions openly.

The CEO, KP Singh, explained the dilemma to the board, making it very clear that without this contract there would be no way to protect jobs. The Director (Finance), RD Joshi, said that he was personally very uncomfortable with the idea of paying a facilitation fee, which was in effect a 'bribe'. As a professional accountant, he was bound by a code of ethics which strictly prohibited making such payments; therefore he could not sanction the payment under any circumstances. The Director (HR), Sarah Titus, took a far more pragmatic stance. She acknowledged that any form of corruption was utterly shameful; however, it was a fact of life in many countries. She asserted that if the board of KRAS decided not to make the payment and forego the contract, then it could be assured that a competitor would not adopt such a high-minded position. The net effect was that by avoiding a relatively small payment, the firm would be doing a disservice to both its employees and its shareholders, who would undoubtedly suffer a reduction in their shareholder value. She maintained that sometimes it is necessary to take difficult decisions in business that are for the greater good, and so suggested that the payment to the official should be made.

Questions:

(i) Discuss the significance of individual or personal differences in guiding ethical behaviour at KRAS, on the backdrop of relativism and absolutism approaches.

(ii) Explain the ethical theories of Deontology and Teleology or Consequentialism, and analyse which of the approaches have been adopted by Sarah Titus and RD Joshi.
