

Business Ethics and Corporate Governance

Course Objectives

The basic objective of the course is to sensitise the student on the various ethical aspects concerning the functioning of business enterprises, and to provide awareness about, how the society and business are interdependent for the survival of both. The course aims to equip the students to be honest and be responsible to the society. The knowledge of the subject will improve ethical reasoning by correlating moral concepts to business practices. The course aims to create awareness among students on the importance of Corporate Governance.

Syllabus

Values and its transformation to Ethics – Business Ethics, Stakeholder approach — Law & Ethics — Ethical Philosophies – Ethical Dilemma – Whistle blowing – Corporate Ethics, Ethics Programme – Ethics in functional areas of business – Corporate Governance

Expected Outcome

On successful completion of the course, the student will be well aware that ethical decision making in business management is a must for any organisation for its long term survival and consistent growth. Knowledge on business ethics will motivate the Managers to be more transparent in their business dealings resulting in a business world with no scams and with most effective corporate governance.

References .

- 1 Kumar Senthil, Rajan Senthil, Business Ethics and Values, Himalaya Publishing, Mumbai
2. William H Shaw, Business Ethics:Text Book with Cases, Cengage Learning 2014
3. Sekhar R.C, Ethical Choice in Business, Sage Publication
4. Biswanath Ghosh, Ethics in Management and Indian Ethos, 2009, Vikas Publishing.
5. Jennings M.Marianne, Cases in Business Ethics, 2008, Cengage Learning India Pvt Ltd, New Delhi.
6. Murthy.C.S.V, Business Ethics – Text and Cases, 2010, Himalaya Publishing, Mumbai.
7. Balachandran, and Chandrasekharan, Corporate Governance, Ethics and Social Responsibility, PHI, 2/e, 2011.

COURSE PLAN

1 Values – intention – action – consequences, Ethics, Inventory of values, Business Ethics – Stakeholder Model of Business Ethics, Ethics and Religion – Sources of Morality – influences to ethical responses – Indian Work Ethics - Law and Ethics – relationship and comparison, Interdependence of Business & Society – Corporate Social Responsibility

2 Ethical Philosophies – Normative Ethics – Descriptive Ethics – Applied Ethics – Meta Ethics, Deontological ethics – Teleological Ethics – Virtue Ethics, Utilitarianism – Egoism – Divine Command – Immanuel Kant's Theory, Social Contract Theory, Moral Relativism

First Internal Examination

3 Ethics in functional areas of business – Financial Management (Window dressing, misleading financial analysis, insider trading, churning etc.) – Human Resource Management – (Discrimination – age, gender, race) sexual harassment, ethics at work place, issues affecting privacy of employees, fairness of employment contracts, occupational safety– Marketing Management – Pricing issues like Price discrimination, Price fixing, Price skimming, Ethics in advertising (surrogate, deceptive advertising), Distribution issues like tying arrangement, black market– Production Management – Process issues like effluents, optimisation of resources like power & water, Product issues like additive & intrinsically hazardous products, genetically modified products, flawed products– Ethics in Information Technology – Ethics in customer and vendor relationship

Second Internal Examination

4 Ethics Programme – code of ethics – ethics training – ethics committee – ethics officer, Ethics Audit, Transparency International - Whistle Blowing – classification – legal support to Whistle-Blower – Tips to successful Whistle Blowing - Corporate Governance - Definition - need for corporate governance - evidence of corporate governance from Arthashastra - elements of good corporate governance - corporate governance theories - Agency Theory - Shareholder Theory - Stake Holder Theory - Stewardship Theory

5 Developments in corporate governance - evolution in US, UK and India – board effectiveness - issues and challenges - role and types of directors - corporate board committees - corporate disclosure - emerging trends in corporate governance - corporate board duties - responsibilities and liabilities. Legal framework for corporate governance Companies Act, Basel III

Final Exam