**Volkswagen Emissions Scandal**

Volkswagen is one of the biggest car manufacturing companies in the world. It manufactures all types of cars from sedan to suv and xuv. One of the biggest controversies of 2015 was the “Dieselgate” scandal of Volkswagen. Investigations about carbon dioxide emissions from the cars were going on for some time. In September 2015, the Environmental Protection Agency found that the diesel engine cars sold in US had a software built into them which would know when the cars were being tested and change the performance as required for it to pass the test.(Hotten, 2015)

This news had a major impact on the stock prices and volume of stocks of the company. The company’s stocks dropped down drastically and remained low until a year later. This has been shown using the dashboard attached. The highest stock price of Volkswagen shares between April 2015 and September 2016 was 248.75 USD on 28th April 2015. The dieselgate scandal came to light in September 2015. The stock prices started plummeting and the lowest price, 86.36 USD, was recorded on 5th October 2016, not even a month since the scandal came to light. The company was charged with various civil and criminal charges. Six of its executives were charged for the scandal. (Tabuchi, Ewing, & Apuzzo, 2017)

Volkswagen owned up to the problem and set an internal inquiry to look into the matter. The entire scandal had major financial impact on the company. The company later on recalled the vehicles with this software. The company also dropped “Das Auto” from its logo, “Das Auto” means “The Car”, as an act of humility following the scandal. The company even offered compensations to diesel car owners. The stock prices fluctuated with these events. The analysis of the stocks have been shown in the pdf.

According to me, the company should have immediately fired the employees and executives responsible for this. Recalling the cars and offering vouchers to all of its diesel car owners was a good step, as was changing the name. Some form of assurance should have been given to its potential customers in order to mitigate the damage done by this scandal.

Thus, the company did quite well in managing the entire scandal, but a few more reassuring steps for its potential buyers would have gone a long way in mitigating the damage done to the reputation of the company as well as the stock prices.

The analysis of stock prices using Google Datastudio.

CITATION:

Hotten, R. (2015, December 10). Volkswagen: The scandal explained. Retrieved from https://www.bbc.com/news/business-34324772

Tabuchi, H., Ewing, J., & Apuzzo, M. (2017, December 22). 6 Volkswagen Executives Charged as Company Pleads Guilty in Emissions Case. *The New York Times*. Retrieved from https://www.nytimes.com/2017/01/11/business/volkswagen-diesel-vw-settlement-charges-criminal.html