

# AR16

Code: 16MBA4001

**SET-2**

**ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI  
(AUTONOMOUS)**

**II MBA IV Semester Regular Examinations, APRIL, 2018  
BUSINESS ETHICS AND CORPORATE GOVERNANCE**

**Time: 3 Hrs**

**Max. Marks: 60**

Answer any Five questions  
All questions carry EQUAL marks  
Question No. 8 is Compulsory

1. Define Business Ethics. Write the arguments for and against Ethics in business.
2. What are ethical decisions in business? Discuss the steps in ethical decision making.
3. Write briefly on the following with suitable examples.  
a) Insider trading b) whistle blowing c) Hawala transfers
4. a) Highlight the importance of CSR concept in the recently amended Companies Act-2013.  
b) Discuss the areas of CSR activities to be urgently undertaken by business units.
5. a) Examine the Role and Responsibilities of Independent Directors for maintaining good corporate governance standards.  
b) How Auditors are useful for maintaining good corporate governance?
6. Comment on the unethical practices followed which are highlighted by Indian Media on the following issues.  
a) Coca Cola b) Maggie Noodles c) Punjab National Bank
7. Discuss various factors responsible for the failure of good governance practices in public and private sectors separately.

## 8. CASE STUDY:

TELCO opened bookings for different models of its proud small car India in late 1998. The consumer response was overwhelming. Most of the bookings were from the AC models, DLE and DLX. The DLE model accounted for more than 70% of the bookings.

Telco has planned to commence delivery of the vehicles by early 1999. However, delivery schedule for the AC models were upset because of some problems on the roll-out front. According to a report in the Economics Times dated 13 March 1999, Telco officials attributed the delay to non-availability of air-conditioning kits.

Subros Ltd. Supplies AC kits for the DLE version and Voltas is the vendor for the DLX version. Incidentally, Subros is also the AC supplier to Maruti Udyog Ltd.

Telco officials alleged that Subros was being pressured by the competitors to delay the supply of kits. “if this continues, we will be forced to ask Voltas to supply kits for the DLF version too,” a company officials said.

### Questions:

1. Why did Telco land itself in the problem (supply problem in respect of AC kits)?
2. If the allegation about the supplier is right, discuss its implications for the supplier.
3. Evaluate the ethical issues involved in the case. (Also consider the fact of Maruti was 50% Government owned).