

**AR13**

**SET 1**

**Code No: 13MBA2029**

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

**II MBA IV Semester Regular / Supplementary Examinations, April-2017**

**CORPORATE GOVERNANCE AND BUSINESS ETHICS**

**Time: 3 Hours**

**Max. Marks: 60**

**Answer any FIVE questions  
All questions carry equal marks  
Question No.8 is Compulsory.**

1. Define business Ethics, State the importance of Business Ethics and explain each one of them.
2. How do one develop moral? Do all people experience the lockstep fashion in their moral development?
3. Describe the Teleological and Deontological Theories of Business Ethics. Which one is more applicable in the modern business environment?
4. Ethical issues arise out of everyday business decision comment.
5. Discuss with examples the common unethical practices in marketing with special reference to India
6. Define Corporate Governance. Explain the Role of Board of Directors.
7. Define Corporate Social Responsibility. Outline its evaluation and development in its historical perspective.
8. CASE STUDY:

**THE HONESTY DIPLOMA**

There was a very rich village zamindar (landlord) who was also a great philanthropist. Everyone liked him. Once he decided that for three days he would give rice, vegetables, and money only to the poor people. One poor man received a heavy sack of rice. Because he was a very poor man this made him very happy. When he came home and emptied the sack into storage bins, he found twenty gold coins mixed with rice. His wife was delighted but the husband said, "The zamindar dint intend to give me gold. He gave me rice. This is a mistake I should return the coins."

The wife said, "Don't be a fool! We're poor. Take the gold to the market and exchange it for money." The husband said, "No, I can't." And so they fought until the husband reminded his greedy wife that it was he who had brought the rice and gold home in the first place. The following day he went back to the rich man. "You were so kind to give us things we needed. I found this twenty gold coins in the rice sack. I have come to return them. Although I'm a beggar, I know this was a mistake and I'm an honest man".

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The rich man was moved by the poor man's sincerity. He said, "No, keep them. And because of your sincerity, I'll give you double the amount. You brought me twenty gold coins; You will leave with forty. I give this to you personally so you know there is no mistake."

A greedy businessman happened to overhear the story and he came up with a brilliant idea. He went to the poor man and said, "I heard that you have some gold coins. Do you want to sell a few to me?". The poor man said, "Certainly. How many would you like to buy?" The business bought six coins from the poor man. Then he put on beggar's clothes and went to the rich man's house. "I will do the same thing the beggar did and I will double my wealth", he thought. "Since over the past three days hundreds and hundreds of beggars have received bags of food from the zamindar, I'm sure that he will not remember that I was not one of them." So the businessman went to zamindar and said, "Yesterday you gave me three gold coins but magically they have become six gold coins today. I have come to give back the original ones, while I'm keeping the other three."

The zamindar said, "You are the only person to whom I gave coins whose wealth has increased. One man brought back the same amount I gave him. But in your case the amount increased. I am happy for you. Now, what can I do for you?" The businessman-beggar said, "If you're impressed by my honesty because I'm returning these three coins, you can give me more. Had I not returned these coins, you would not have known the original three produced three more. If you value honesty, then give me a few more coins." The rich man said, "You really deserve much more. Since from three coins you have got six, let me do one thing. I will give you something much more important than a few more gold coins."

The businessman was excited and curious. He said, "Please tell me what it is." The zamindar asked his servant to write out an "Honesty Diploma." The servant wrote it out and the zamindar put it on this fellow's back and signed it. Then he told the businessman-beggar, "With this diploma you can announce to the whole world that you are the most honest man. I have not given an 'honesty diploma' to anyone else. But you deserve it."

Questions:

- i. Bring out the major ethical issues involved in this case.
- ii. Elaborate from ethical point of view that ethical rewards and unethical one curses.