



## End Term Evaluation IV Semester Examination May 2025

Roll no.....

Name of the Course: MBA

Semester: IV

Name of the Paper: Corporate Governance and Ethics

Paper Code: MB 401

Time: 3 hours

Maximum Marks: 100

### Note:

- (i) This question paper contains two Sections - A and B
- (ii) Both Sections are compulsory
- (iii) Answer any two sub questions from a, b & c in each main question of Section A. Each sub question carries 10 marks.
- (iv) Section B, consisting of a case study, is compulsory. It is of 20 Marks.

### Section A

Q1.

(2X10 = 20 Marks)

- a. Examine the term "corporate governance", what are the major objectives of corporate governance and justify the rationale for corporate governance CO 4
- b. Why is bringing moral judgment into the realm of business necessary? What are the consequences of not applying ethics in business? CO 3
- c. Summarize elaborately the various factors responsible for ethical and unethical business decisions? CO 2

Q2.

(2X10 = 20 Marks)

- a. List out the role, responsibilities and powers of the CEO and Board of Directors? CO 1
- b. "Self-regulations are more effective in ensuring good corporate governance than formal or official regulations" Evaluate this statement bearing the Codes of conduct which are deployed at organizations? CO 5
- c. Sketch a detailed account of corporate governance in India, also highlight through two real examples how the companies came out successful? CO 3

Q3.

(2X10 = 20 Marks)

- a. Write short notes of any THREE corporate governance forums – CACG, OECD, ICGN and NFCG ? CO 2
- b. Illustrate Corporate Social Responsibility carried out by companies as noticed by you, bring out their initiatives along with the outcomes? CO 3
- c. How can companies integrate CSR into their core business strategy to create both social value and competitive advantage? CO 5

Q4.

(2X10 = 20 Marks)

- a. What key elements should be included in an effective corporate ethics training program and how can organizations ensure that ethical behavior is sustained beyond the initial training? CO 3
- b. Contrast the role of Corporate Management and Divisional Management Committees in strategic decision making and how does it influence the overall governance and performance of a



## End Term Evaluation IV Semester Examination May 2025

company? CO 5

- c. How can a company ensure effective communication with its stakeholders regarding its corporate governance practices? CO 3

### Section B

#### Q5. Case Study: Ethical Challenges at EcoWave Energy Solutions

(2X10 = 20 Marks)

##### Background

EcoWave Energy Solutions is a mid-sized company specializing in sustainable energy technologies. Founded in 2010, EcoWave quickly built a strong brand image around innovation, environmental responsibility, and ethical leadership. Its core mission was to provide clean energy solutions while maintaining high ethical standards in operations, marketing, and stakeholder relations.

By 2022, EcoWave had expanded internationally, partnering with several governments and private companies to supply wind and solar technologies. However, with rapid growth came increased competition and financial pressure. Investors demanded quicker returns, and competitors began launching aggressive marketing campaigns that questioned EcoWave's technological superiority.

##### The Ethical Dilemma

In early 2023, EcoWave's product development team introduced a new solar panel technology, "SunMax Pro," which promised higher energy efficiency compared to competitors' products. Initial internal testing was promising, but independent third-party validation — crucial for marketing claims — was still pending.

Despite this, the company's marketing director, under pressure from the CEO and investors, pushed to launch a global marketing campaign declaring SunMax Pro "the highest-efficiency solar panel on the market." Internally, engineers raised concerns that without third-party certification, such claims could be misleading.

A few employees, including Priya, a senior engineer, voiced objections directly to management. They argued that premature claims could damage the company's reputation and even lead to legal consequences under advertising and consumer protection laws.

Management, however, assured the team that "minor exaggerations" were common in the industry and that delaying the campaign could result in a major competitive loss.



## End Term Evaluation IV Semester Examination May 2025

### Priya now faces a tough decision:-

- She could escalate her concerns to EcoWave's ethics committee, potentially delaying the campaign and angering executives.
- Or, she could stay silent, protecting her position but compromising the ethical standards she personally valued and which the company publicly championed.

Meanwhile, customers began purchasing SunMax Pro based on the new marketing materials, believing they were investing in the best technology available.

### Fallout and Reflection

Within months, independent reviews revealed that while SunMax Pro was efficient, it was not the highest-efficiency panel on the market. EcoWave faced a wave of criticism from environmental groups and consumer advocates. Several major corporate clients canceled contracts, citing a breach of trust.

The company's stock value plummeted, and an investigation was launched into its marketing practices. Priya's concerns eventually became public when an internal email chain was leaked to the media, raising questions about the company's true commitment to ethics.

As a result, EcoWave's board fired the CEO, overhauled its marketing leadership, and began implementing strict ethical review processes for all future campaigns. Priya, despite facing pressure, was recognized internally for her integrity and later promoted to lead EcoWave's newly formed Ethics and Compliance Department.

### Questions

Q1. What ethical principles were compromised in EcoWave's decision-making process; and how could EcoWave have balanced business pressures with maintaining ethics? CO 4

Q2. What structures could have prevented this situation, how should companies train employees and leaders to better handle such ethical dilemmas? CO 4