



Term Evaluation (Even) Semester Examination March 2025

Roll no.....

Name of the Course: MBA

Semester: IV

Name of the Paper: Corporate Governance and Ethics

Paper Code: MB 401

Time: 1.5 hour

Maximum Marks: 50

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 5 marks.
- (iv) Section B, consisting of a case study, is compulsory. It is of 20 Marks.

Section A

Q1.

(2X5 = 10 Marks)

- a. Recall the conceptual meaning of corporate governance and state its significance? CO1
- b. Discuss the underlying principles for corporate governance and organizational success? CO 2
- c. Demonstrate how the concept of 'ESG' factors (Environmental, social and governance) and their growing importance in corporate governance? CO 3

Q2.

(2X5 = 10 Marks)

- a. As a CEO, how would you implement corporate governance at various levels of your organization? CO 3
- b. Analyze how corporate governance and ethical practice prevent corporate scandals? CO 4
- c. Discuss the roles and responsibilities of Corporate Management Committee? CO 2

Q3.

(2X5 = 10 Marks)

- a. Justify the principal sources of corporate power, and how does it get reflected/manifested? CO 5
- b. How can a company ensure effective communication with its stakeholders regarding its corporate governance practices? CO 3
- c. How can the Board of Directors balance the interest of investors, management and the business? CO 5

Section B

Q5. Case Study

Tata Group, one of India's largest and most respected conglomerates, has long been considered a benchmark for corporate governance. However, in 2016, a major governance crisis unfolded when Cyrus Mistry was abruptly removed as chairman of Tata Sons, leading to a legal battle and raising questions about corporate governance practices within the group.

Background of Tata Group - Founded in 1868, Tata Group operates in over 100 countries across industries such as steel, automobiles, IT, and consumer goods. The group is controlled by Tata Sons, its holding company, where the Tata Trusts hold a 66% stake, ensuring a focus on long-term sustainability rather than short-term profitability.



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The Corporate Governance Crisis - Cyrus Mistry, appointed chairman in 2012, was removed in 2016 without prior notice. Even the independent directors could not do anything about it. The conflict between Tata Trusts (the promoters) and Mistry (a professional manager) highlighted challenges in governance structures. Mistry took legal action against Tata Sons, citing oppression and mismanagement, which led to a prolonged legal dispute that had ripple effect on their business.

The Supreme Court of India ruled in favor of Tata Sons in 2021, upholding Mistry's removal. Tata Sons changed its legal structure to a private limited company, reducing external interference and strengthening its Board.

Questions:-

(10 marks*2)

Q1. Bring out the main issues that you identify in this case, and discuss it elaborately? CO 4

Q2. Give your recommendations for correcting the situation with relevant assumptions? CO 6

TRM VLAH