

Code: 14E00301

MBA III Semester Regular Examinations January 2016  
**BUSINESS ETHICS & CORPORATE GOVERNANCE**

(For students admitted in 2014 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

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**SECTION – A**

Answer the following: (05 X 10 = 50 Marks)

- 1 Define business ethics. Explain its basic concept and ground rules.  
**OR**
- 2 What is meant by ethical dilemma? Explain various steps to overcome ethical dilemma.
- 3 Explain about ethical issues in advertising with examples.  
**OR**
- 4 Explain role and importance of ethics in performance appraisal.
- 5 What is meant by cyber crime? How is it in India? Explain by taking recent issues.  
**OR**
- 6 What is meant by combating frauds? Explain various steps to overcome it through ethics.
- 7 What is corporate governance? Explain its purpose and importance in Stakeholder's point of view.  
**OR**
- 8 Explain theories and philosophies in corporate governance.
- 9 Define independence director. Explain their duties and responsibilities.  
**OR**
- 10 Explain the role of audit committee and who are the members in it?

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

**11 Case study:**

A few years ago the US department of defense charged that national semi conductor has sold the department computer parts without testing them properly and then had falsified its records in order to hide the fraud. The computer parts were installed in chips, planes, weapons and nuclear bombs around the world and so, could no longer be tracked down. An official of the department of defense was quoted as saying that if a component was defective and malfunctioned, we're talking about lives. You could have a missile that would end up in Cleveland instead of the intended target.

Although national semi conductor was indicated and find for the crime as a corporation, no individuals within the company were ever charged with any crimes in the case. The department of defense objected that since 'a corporation acts only through its employees and officers', the employees and managers who make up the company and who participated in the crime should have been hold responsible for it. National sent conductor's chairman felt differently "we totally disagree with the defense department proposal who have repeatedly stated that we accept responsibility as a company (only) and we steadfastly continue to stand by that statement". According to the chairman the corporation and not its members was responsible for these criminal acts.

Questions:

- (a) Who is right in this dispute, explain your answer?
- (b) What are the practical consequences of accepting the position of the department of defense? In light of these practical consequences which position do you think the society should adopt.

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