

ANURAG GROUP OF INSTITUTIONS

(Autonomous)

School of Business Management

I-M.B.A-II-Semester (2016-18)

Subject: Business Ethics and Corporate Governance

COURSE FILE

TEACHING PLAN

Name of the Faculty: P.Kalpana

S.NO	TOPIC	NO OF CLASSES
.	Unit -1 Introduction	
1	Meaning and introduction to Business Ethics	1
2	Levels of Business Ethics	2
3	Five Myths about Business Ethics	2
4	Stages of Moral Development	2
5	Kohlberg's Study	1
6	Carol Gilligan's Theory	2
7	Principles of Ethics	1
8	Case study	1
	Total	12
	Unit-2 Professional Ethics	
9	Meaning, Nature, of Professional Ethics	1
10	Ethics in Production and Product management	1
11	Ethics of Marketing Professionals, Ethics in HRM	1
12	Ethics of Finance and Accounting professionals	1
13	Ethics of Advertisement	1
14	Ethics of media Reporting	1
15	Ethics of Healthcare Services	1
16	Introduction to Ethical Dilemma, Mounting Scandals	1
17	Ethical Issues	1
18	Preparatory Ethics, Proactive Steps	2
19	The Software Challenge	1
20	Case study:	1
	Total	13
	Unit-3Cyber Crimes and Cyber Terrorism	
21	Introduction to Cyber Crimes	2
22	Social, Political ,Ethical and Psychological, Dimensional ,Intellectual Property in the Cyber space.	2
23	Ethical Dimensions of Cyber Crimes	2
24	The Psychology, Mindset&Skills of Hackers & Other Cyber Criminals, Sociology of Cyber Criminals.	2
25	Information Warfare	2
26	Case Study	1
27	Total	11
	Unit-4 Corporate Governance	
28	Meaning , Importance of Corporate Governance	2
29	Corporate Governance in India	2

30	Board Structures Processes and Evaluation Independent Directors	2
31	Women Directors	2
32	Board Committees	2
33	Indian Model of Corporate Governance	2
34	Case study	2
35	Total	14
	Unit-5 Corporate Governance - II	
36	Information Communication and Disclosure	2
37	Irani Committee Report	2
38	OECD Principles of Corporate Governance	2
39	Risk, Internal Control	2
40	Assurance-Banks and Corporate Governance	2
41	Case study	2
42	Total	12
	Total No of Classes required	62

UNIT-I

INTRODUCTION

SHORT NOTES

1. Definition of Ethics and Business Ethics.
2. Nature of Ethics.
3. What are the factors influencing behavior.
4. What is the need for Business Ethics?
5. Levels of Business Ethics. What are they?

LONG QUESTIONS

1. Discuss Kohlberg's study.
2. Explain Carol Gilligan's
3. Explain the nature of Ethics.
4. Mention the six primary sources of Ethics. Explain each one of them.
5. What are the different types of Ethics? Compare and contrast them.

UNIT-II

PROFESSIONAL ETHICS

SHORT NOTES

1. Meaning of Professional Ethics.
2. Ethics in Production Management.
3. Meaning of Ethical Judgment.
4. Mounting Scandals.
5. Preparatory Ethics.

LONG QUESTIONS

1. What do you understand by the term Professional Ethics? How do Professional Ethics differ from individual ethics in business operations?
2. Why do professional ethics in the area of finance and accounting get major attention by the regulators in a country? Identify two major financial scams of recent times and briefly discuss their impacts on the society.
3. Why are the ethics of HR professionals becoming increasingly important nowadays? Discuss the recommendations of the Society for Human Resource Management (SHRM) guiding the codes of professional conduct and ethics amongst HR professionals.
4. Why are the ethics of advertising professionals gaining importance these days? Describe, with suitable illustrations, how unethical advertising can harm the consumers as well as the society.
5. Identify five important ethical attributes of media reporting as per the guidelines of the Society of Professional Journalists (SPJ). What is the basis of the formulation of the SPJ code of ethics?

UNIT-III

CYBER CRIMES AND CYBER TERRORISM

SHORT NOTES

1. Meaning of Cyber Crime
2. Intellectual Property rights
3. Importance of Cyber Crimes
4. What are the factors influence the Cyber terrorism.

LONG QUESTIONS

1. What is the social and political factors influence on ethics?
2. Discuss Intellectual Property in the Cyber space.
3. The impact of psychology, mindset and skill of Hackers in Cyber Crime.
4. Discuss Dimensions of Cybercrime.

UNIT IV

CORPORATE GOVERNANCE I

SHORT NOTES

1. Meaning of Corporate Governance
2. Structure of Corporate Governance
3. Women Directors
4. Indian model of Corporate Governance
5. Independent Directors.

LONG QUESTIONS

1. Define corporate governance, and identify the model role and purpose of corporate governance with reference to that definition.

2. What are the high points of SEBI definition of corporate governance? Discuss with reference to functioning of a known company of your show these points of governance are taken care of by an Indian company.
3. Briefly identify an outline the commonly accepted principles of corporate governance
4. Discuss two major governance models and point out their relative merits.
5. What are the benefits of the Corporate Social Responsibility (CSR) function of Business? Critically discuss the pros and cons of CSR in business.

UNIT V

CORPORATE GOVERNANCE II

SHORT NOTES

1. The importance of Information communication in Corporate Governance
2. Irani Committee Report
3. OECD principle of Corporate Governance
4. The Role of banks in Corporate Governance
5. Banks and corporate governance

LONG QUESTIONS

1. Discuss Irani Committee Report.
2. Explain OECD Principles of corporate Governance
3. The Role of Internal Control in Organization.
4. Briefly discuss the aims and objectives of good corporate governance.
5. What should be the aim of best practice in corporate Governance?

Subject Code:R14E12MB01

R14

ANURAG GROUP OF INSTITUTIONS

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School of Business Management

I-M.B.A-II-Semester Supplementary Examinations, August - 2016

Subject: Business Ethics and Corporate Governance

Time: 3 Hours

Max.Marks:60

Section – A (Short Answer type questions)

(10X2=20 Marks)

• Answer all the following

1. Define Business Ethics.
2. Explain the levels of business ethics
3. What is professional ethics
4. Define ethical dilemma
5. Information Warfare.
6. Ethical dimensions of cyber crimes

7. Importance of corporate governance
8. Women directors
9. OECD principles of corporate governance
10. Banks and corporate governance

Section-B (Essay type Questions)

- **Answer all questions, each carry equal marks (5x8=40 Marks)**

11. A) How does organizational culture influence business ethics
OR
B) Write a note on Kohelberg's study and Carol Gilligons's Theory
12. A) Explain the Ethics of finance and accounting professionals.
OR
B) Explain the meaning and nature of professional ethics and their application in production and product management.
13. A) Explain the Intellectual Property in Cyber space
OR
B) Write a note on Psychology, Mindset and skills of hackers and other cyber criminals.
14. A) Explain the Meaning and Importance of Corporate Governance in India
OR
B) Write a note on women directors and independent directors and their role in corporate governance
15. A) Explain the recommendations of Irani committee report on Corporate Governance
OR
B) Explain the Corporate Governance at Banks and the Internal Control & Assurance.

Subject Code: R14E12MB06

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School of Business Management

I-M.B.A-II-Semester End Examinations, August - 2015

Subject: Business Ethics and Corporate Governance

Time: 3 Hours

Max.Marks:60

Section – A(Short Answer type questions) (10X2=20 Marks)

- Answer all questions, each question carry equal marks.

Write a short note on the following:

1. Levels of Business Ethics.

2. State the Five Myths about Business Ethics.
3. What is Preparatory Ethics?
4. What is Ethics of Media Reporting?
5. What is Cyber Terrorism?
6. Information Warfare.
7. Define Corporate Governance.
8. Independent Directors.
9. Internal Control and Assurance.
10. OECD Principles.

Section – B (Essay Type Questions)

• **Answer all the questions.**

5x8=40 marks

11A) Write about the stages of Moral development and discuss the 'Kohlberg's Study.'

OR

B) Explain Carol Gilligan's Theory and write briefly about the Principles of Ethics.

12A) Define Ethics? What type of ethics is to be followed in different areas of Management?

OR

B) Explain the Ethical Issues and the Pro-active steps to be taken with reference to Software Challenge.

13A) Define Cyberspace and explain all the dimensions and Intellectual Property in Cyber space.

OR

B) Explain the psychology of hackers and cyber criminals. Provide necessary Suggestions to overcome these issues.

14.A) Explain with illustration the Corporate Governance in India.

OR

B) Explain about the Board Committees and Indian Model of Corporate governance.

15.A) Explain the Information Communication and Disclosure of Corporate Governance.

OR

B) Discuss about the Irani Committee Report.

Model Question paper

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Subject: Business Ethics and Corporate Governance

Time: 3 Hours

Max.Marks:60

Section – A(Short Answer type questions)

(5X4=20 Marks)

- Answer all questions, each question carry equal marks.

Write a short note on the following:

1 A). Define Business Ethics.

B) Explain the levels of business ethics

2A) what is Preparatory Ethics?

B) What is Ethics of Media Reporting?

3. A) Meaning of Cyber Crime.

B) Ethical dimensions of cyber crimes

4. A) Importance of corporate governance

B) The Importance Women directors in the organization.

5 A) OECD principles of corporate governance

B) Banks and corporate governance

Section-B (Essay type Questions)

- Answer all questions, each carry equal marks

(5x8=40 Marks)

6A) How does organizational culture influence business ethics

OR

B) Write a note on Kohlberg's study and Carol Gilligan's Theory

7A) Discuss the role of ethics, and consequences of ethical failure, in any service sector industry. How can the conduct of professionals engaged in that industry be regulated for fairness, justice and utility?.

OR

7B) why are ethics of advertising professionals gaining importance these days? Describe, with suitable illustrations, how unethical advertising can harm the consumers as well as society.

8A) Explain the Intellectual Property in Cyber space

OR

B) Write a note on Psychology, Mindset and skills of hackers and other cyber

Criminals.

9A) Explain the Meaning and Importance of Corporate Governance in India

OR

B) Explain about the Board Committees and Indian Model of Corporate Governance.

10A) Explain the recommendations of Irani committee report on Corporate Governance

OR

B) Explain the Information Communication and Disclosure of Corporate Governance.

CASE STUDIES

UNIT-I

INTRODUCTION

Case Study

A worker's leave application for his daughter's marriage, which was organized out of town, was rejected. The manager's refused on the grounds that work would suffer in his absence for two weeks, and instead, granted the worker only a week's paid leave. At the end of the sanctioned period of leave (i.e. a week), from the venue of his daughter's marriage, the worker sent a 'medical certificate' to the manager stating that he had been taken ill and was advised a week's rest. On his return to the workplace exactly after two weeks, the manager did not allow him to rejoin duty immediately. The worker produced his medical certificate, to explain the delay and continuation of leave, but the manager refused to accept the certificate and called it false. Instead, he issued a show-cause notice to the worker for failing to join his duty on time.

Once the notice was served, the worker took shelter under the workers' union, which in turn invoked the policies of power rule to settle the issue in the organization. Union officials charged the manager as being inconsiderate and partial, and demanded withdrawal of the show-cause notice. According to the union, the manager had been ineffective in handling the shop-floor situation with a proper contingency plan, thus, allowing production to suffer-affecting the interests of all workers (in terms of earning production-bonus). The matter was taken up with the top management (hierarchy) of the organization; and finally, the union got its way in view of limiting further damage. The worker was taken back to duty with respective effect and pay.

UNIT-II

PERSONAL ETHICS

Case Study

Yet another news article (*The Economic Times*, Kolkata, 19 March 2009), brings out how ICAI (Institute of Chartered Accountants of India) proposes that companies would have to 'redo accounts' if any auditor objects to any part of it. In a bid to improve financial reporting standards, ICAI-empowered to set norms for accounting practices- proposes that a company's management should revise the financial statement to give effect to all audit qualification by the auditors. This would lend further credibility to the accounts profession in the backdrop of various financial scandals (for example, Satyam) that rocked the country's corporate world in recent times. The proposed change would force companies to redo their accounts as per their auditors' queries, thereby allowing all stakeholders to get an easier grasp of the company's balance sheet (without having to correlate numbers within audit reports, which is often difficult and confusing). As per the proposal, such alterations of financial statements would be obligatory with respect to declaration of dividends or submission to financial institutions for obtaining credit facilities. Furthermore, ICAI claims that the practice of revising accounts of companies, whose financial data has been questioned by the auditors, is in conformity with the global practices for making the company accounts more transparent and auditors more accountable.

UNIT-III

CYBER CRIMES AND CYBER TERRORISM

Cyber Law Cases

ACCUSED IN RS 400 MILLION SMS SCAM ARRESTED IN MUMBAI

MUMBAI: The alleged mastermind behind a Rs 400 million SMS fraud that duped at least 50,000 people has been arrested along with an associate more than two months after the scam was unearthed. Jayanand Nadar, 30, and Ramesh Gala, 26, were arrested late on Monday from a hotel in Mira Road in the western suburbs. Nadar, a first year college dropout, along with his brother Jay raj had allegedly duped at least 50,000 people of Rs.400 million, said officials in the city police's Economic Offences Wing (EOW).

The two brothers along with Gala allegedly took help of SMS technology and launched the first-of-its-kind SMS fraud in India. According to EOW sources, in August 2006 the duo launched an aggressive and catchy advertisement campaign in the print media that read: "Nothing is impossible."

The word itself is: I MPossible."As part of the attractive scheme, the Nader brothers messaged random numbers, asking people interested in 'earning Rs.10,000 per month' to contact them."The modus operandi adopted by the brothers was alluring," an EOW official said Tuesday."Interested 'subscribers' were asked to deposit Rs.500 each. The conmen duo claimed to be working with a US-based company named Aropis Advertising Company, which wanted to market its client's products through SMS'," senior inspector A Thakur said. "The brothers even put up a website (www.getpaid4sms.com) to promote their scheme. Subscribers who registered with them received about 10 SMS' every day about various products and were promised handsome commissions if they managed to rope in more subscribers by forwarding the messages,"Thakur said.In return, the Nadars promised to pay Rs.10,000 over 16 months to the investors. The amount was to be paid in installments of Rs.1,000 every few months.

The brothers are said to have told the subscribers that their American clients wanted to conduct a study about local response to their advertisement and were using SMS as it was the latest media of communication. The duo invited people to become agents and get more members for the scheme. Gala reportedly looked after the accounts.Initially, the brothers paid up small amounts. But when cheques and pay orders of larger sums issued by the duo were not honored, the agents got worried. The SMSs too suddenly stopped. On November 30, one of the duped agents approached the DN Road police station and lodged a complaint after a bank failed to honor a pay order amounting Rs.2.17 million issued by the Nadarrbrothers. Then suddenly, the Nadars and Gala disappeared, leaving their agents and investors in the lurch. By December, the police were flooded with similar complaints. The DN Road police station registered a case against the brothers and Gala and later transferred it to the EOW."By December 2006 the scheme had an over 50,000 membership in Mumbai alone. And we suspect that hundreds of thousands from across the country were also hooked to the scheme, thanks to a massive agent network and a door-to-door campaign carried out by the firm's now duped agents," Thakur said."We suspect that the fraud amount may be over Rs.1 billion. With the extent of the scam spread across the country, we are still trying to get the details."During investigations, the EOW came to know that the Nadars, residents of the up market Juhu-Tara Road, owned a fleet of imported sport utility vehicles and sedans."The brothers led an extravagant life. They would stay in top five star hotels, throw massive parties for investors and were also known faces in the city's Page-3 circuit," Thakur revealed."We are now looking for Jayaraj, who has eluded arrest. Gala, who is believed to have looked after the accounts, and Jayanand have been remanded to police custody till March 5."

UNIT-IV

CORPORATE GOVERNANCE-I

Case Study

India's apparel industry employs females and children (below 14 years of age) for cheap labor to stitch and prepare garments. These workers-including the so-called Zara-workers of India-are generally paid wages lower than what is stipulated; their workplaces are congested and unhygienic. The primary purpose of such centers is not to provide employment but to exploit sources of cheap labor. Ironically, most of these industries supply readymade garments to MNCs with branded stores across the globe-even if child labor is banned in their home countries (where they are headquartered). The respective governments of these MNCs prohibit the import and purchase of goods from manufacturers who employ child labor. Yet, this practice is rampant in most developing countries like India, Bangladesh, Sri Lanka, Pakistan and many African and Latin America countries, wherefrom high-waged developed countries (like USA, Canada, Britain and the EU countries) are increasingly outsourcing for cost-effectiveness. The giant corporations which buy this cheap material take no measure to check the widespread use of child labor in these industries; they seem more interested in maximizing profits rather than in complying with laws and ethics. Not surprisingly, this practice continues unchallenged with perhaps an occasional for more created by the media.

UNIT-V

CORPORATE GOVERNANCE-II

Case study

In a critical analysis of the Enron scandal, Bennett Stewart (stern Stewart & Co, US), stated: 'No, it wasn't the fraud-although that dearly contributed-it was the misplaced emphasis on chasing metrics that made no sense-a myopia that continues to afflict boards and managers today. Even without the cupidity, Enron would have come to grief'.

'We all think we know the reasons why Enron failed', Stewart continued, 'Sloppy board oversight, imaginative accounting, off-balance sheet financing, and a criminal CFO are some that come to mind. But I will argue those are superficial, not decisive, at root more consequences than causes. Enron did not fail because of creative bookkeeping, for instance, but was creative in bookkeeping because it was failing. And despite the news media's relentless focus on executive greed as the trial of the decade gets into high gear, Enron was failing for reasons subtler, harder to detect, and less praiseworthy than commonly supposed. Enron collapsed chiefly because its managers were paid to aim at the wrong financial measures, and consequently, its internal system of financial controls was at shambles. Beneath the surface there lie explanations for Enron's demise more compelling and more chock-full of practical insights for board members than have been reported thus far'.

Bennett further pointed out, 'The more fundamental causes appear to have been matters of organizational design-in particular, bonus plans that paid managers to increase reported earnings; the use of market-to-market accounting, with the blessing of the SEC, in generating those earnings; and CEO Skilling's decision to permit CFO Fastow to make finance a "profit center" organization-all of which happened five to ten years before Enron's bankruptcy filing'.

'In desperate attempts to keep up with aggressive earnings targets, Enron's managers became so indiscriminate in committing the firm's capital that, in 1999, the international energy division presented Skilling with a plan that contemplated earning just US\$ 100 million in profit on a capital base of US\$ 7 billion, with that kind of performance-which amounts to a loss of several hundred million in terms of economic profits-the CFO faced considerable pressure to use deceptive tactics to put off the day of reckoning. The real Enron story may thus be more than the morality play told in press accounts. A major part of the blame must be assigned to the design of the company's performance measure and internal controls'.