



Roll No

**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF MANAGEMENT**

**MAKEUP EXAMINATION – JAN 2023**

**Course Code:** MGT143

**Course Name:** Corporate Governance & Business Ethics

**Program & Sem:** BBA/BAV - IV

**Date:** 23/01/2023

**Time:** 01.00PM-04.00PM

**Max Marks:** 100

**Weightage:** 50 %

**Instructions:**

*Read all questions carefully and answer accordingly.*

**Part A [Memory Recall Questions]**

**Answer all the questions.**

**(30 Marks)**

**Answer the Following.**

**(03x03=09)**

1. Differentiate Moral & Value (C.O.1) (Knowledge)
2. Brief about the unethical practices in Accounting Department. (C.O.3) (Knowledge)
3. Discuss about earth justice (C.O.3) (Knowledge)

**Choose the Answer:**

**(06x01=06)**

- 4). Specific moral standards that govern and influence right from wrong conduct and behaviors.  
a) Meta-ethics b) Business Ethics c) Normative Ethics d) Descriptive Ethic (C.O.1) (Knowledge)
- 5). Patriotism, honesty, honor, compassion is \_\_\_\_\_  
a) Ethics b) Values c) Code d) Rules (C.O.1) (Knowledge)
- 6). Maximization of happiness is the objective of \_\_\_\_\_ not only in the immediate situation, but in the long run as well.  
a) Psychological Egoism b) Utilitarian c) Kantian d) Consequentialist (C.O.1) (Knowledge)
- 7) Law related to the minimum control of social customs whereas ethics gives importance to individual and social welfare actions.  
a) True b) False (C.O.2) (Knowledge)
- 8) Businesses will adopt measures to reduce waste and promote a safe and healthy environment.  
a) Community Responsibility B) Environment Responsibility c) Both d) None (C.O.2) (Knowledge)
- 9) Social responsibility mainly relates to the policies and functions of an enterprise, whereas business ethics to the conduct and behavior of businessmen  
a) True b) False (C.O.2) (Knowledge)

Match the following

(05x01=05)

10.	Kantian Theory	a) Model Development Stages
11.	Bowen Model	b) Immanuel Kant
12.	Tares Model	c) Identify Loyalties
13.	Potter Model	d) Communication
14.	Lawrence Kohlberg	e) Autonomy

C.O.3. (Knowledge)

Match the following

(05x01=05)

15.	Investor	a) Expects proper working environment
16.	Employee	b) Expects high dividend
17.	Customer	c) Expects fair terms and timely payments
18.	Supplier	d) Expects the company to use resources judiciously
19.	Society	e) Expects Quality products & services at fair price

C.O.4. (Knowledge)

Choose the Answer

(05x01=05)

20. \_\_\_\_\_ guidelines ensure the protection of investors

- a) SEBI b) OECD c) ICSI d) Companies Act

C.O.5. (Knowledge)

21. Good Corporate Practices are \_\_\_\_\_

- a) Clearly defined roles and authorities b) Clear Duties and responsibilities  
Board d) all the above

c) Well-structured  
C.O.5. (Knowledge)

22). \_\_\_\_\_ Model approach of governance is shareholder-oriented

- a) Anglo-American b) German Model c) Japanese Model d) Indian Model

C.O.5. (Knowledge)

23). Naresh Chandra Committee recommended the following

- a) auditor-company relationship b) Disqualifications for audit assignments c) List of prohibited non-audit services d) all the above.

C.O.5. (Knowledge)

24). Corporate Governance defined as \_\_\_\_\_

- a) Rights & responsibilities b) rules and procedures for decision-making c) Monitors performance d) all the above.

(C.O.5. (Knowledge)

### Part B [Thought Provoking Questions]

Answer all the Questions. Each question carries Eight marks.

(05x08=40)

25. Hindustan Unilever Limited's Fair & Lovely faced a lot of backlash on social media for building unrealistic beauty standards and stereotyping skin tones in India. It announced that it will drop the word 'Fair' from its name and restrict using discriminatory 'White/Whitening', 'Light/Lightening' from all its packs and communications. It soon renamed the brand to 'Glow & Lovely' as a reactive measure to an uprising. A few experts rejoiced this move, while some expected HUL to drop the product completely that stands for colorism in India.

Infer the universal ethical principal and substantiate your statement.

(C.O.No.1) [Comprehension]

26. There's No Beef or Pork in Any McDonald's in India

While India is one of the biggest markets in the World, it is also the only Country in the World, where McDonald's doesn't serve any beef or pork in any form, in ANY of their 123 outlets (and counting) across the country! Instead of ground beef and pork patties, the McDonald's Menu in India features Indian burgers that are 100 percent vegetarian – burger look-a-likes of potatoes, peas, and carrots, with a little Indian spice thrown in. Diets in India have been impacted by the many different religions in India for centuries now. Hindus don't eat beef. Hindu believers consider the cow sacred and holy, so harming a cow...let alone eating its meat is considered a grave sin. Since a majority of the population are followers of Hinduism, there is no beef on the McDonalds' menu in India. Hindu's and Muslims (also a prominent religion in India), don't eat pork, so the McDonalds Corporation in India is quick to point out on their website (mcdonaldsinindia.com) that not only is there no beef, there is no pork or pork byproducts in any McDonalds restaurant in India.

Explain the Social contract of Mcdonalds with moral values of India and Justify with the stage of moral development. **(C.O.No.1) [Comprehension]**

27. Raju and Naveen are colleagues. Raju is appraised with promotion. But the work was done by Naveen. Here Naveen complained about the appraisal it has happened in an unethical way. Manager's nephew is Raju. Raju Complained about Naveen that Naveen was cunning that he would not help Raju for completing the task. He used to chat in the cabin a lot. But the Manager know that Naveen is cleverer than Raju.

Explain the ethical decision-making process by analyzing the problem through Potter Model **(C.O.No.2) [Comprehension]**

28. The Sterlite Copper factory also made headlines in 2013 after a suspected sulphur dioxide gas leak from one of its smelters. The plant was blamed for health issues observed in the area related to gas leakage and residents near-by complained of coughing, wheezing eye irritation, and miscarriages following the leak. Sterlite Copper of Tutucorin in Tamil Nadu has become a moral issue after the police firing on protesters resulted in the deaths of 13 people in May 2018 . Over some 20 years of plant operation, the company had violated many pollution regulations and Vedanta's Sterlite Copper plant was causing widespread and severe pollution in Tuticorin, owing to which locals suffered from grave diseases like cancer.

Explain about environmental ethics and the unethical practices of the company discussed above. **(C.O.No.3) [Comprehension]**

29. It's been a long way since 2014 and the infamous Amazon case in which the company mistakenly created a biased recruiting software that would end up repeating human mistakes by discriminating against women. Luckily, the company has abandoned the project and it became one of the greatest learning lessons for using AI in recruitment. While the company tried to be the pioneer in automating the recruitment process, the way they collected data for making the decisions was flawed. The idea behind AI-powered technology is that for it to make future decisions, it needs to be fed with large amounts of data. Therefore, this leads to a logical conclusion that the quality of data is a crucial part of the process. However, Amazon made a mistake here. The way they provided data for their software was by feeding it with recruitment information of the company from the previous 10 years of hiring. The outcome was biased against women and showed that just like a human makes mistakes, the software can do the same.

Indicate the types of business ethics which should be followed by Amazon in this Scenario. **(C.O.No.3) [Comprehension]**

## Part C [Problem Solving Questions]

Answer all the Questions. Each question carries Ten marks.

(02x15=30)

30. At the end of May 2015, India's Food safety administration (FDA) ordered Nestlé India to recall its popular 2-minute Maggi noodles after tests showed that the product contained high levels of lead and MSG. Indian food inspectors order Nestlé India to recall a batch of Maggi Noodles from the northern Indian state of Uttar Pradesh claiming that tests have found Maggi instant noodles "unsafe and hazardous" and accused Nestlé of failing to comply with food safety law. The initial response from the global FMCG Company rejected the accusation that the noodles were unsafe and said on their website and social media accounts that there had been no order to recall any products.

Nestlé continues to keep its customers up to date on the investigation into the safety of Maggi noodles in India. On the official Maggi noodles India Facebook page, Twitter and website, Nestlé states that extensive testing reveals no excess lead in Maggi noodles. Nestlé uses Twitter and Facebook to answer customers' questions about the levels of MSG and lead found in their noodles. The company continues to re-assure customers that the noodles are safe and that they are a transparent company working closely with authorities in India to resolve the issue. As well as Nestlé explains the science behind the tests, what lead and MSG are and gives an informative breakdown of the ingredients in their product.

After re-assuring customers that its noodles are safe, the brand does a U-turn and decides to recall Maggi noodles produced in India. Nestlé CEO Paul Bulcke spoke to the media and said that "We are working with authorities to clarify the situation and in the meantime Nestlé will be withdrawing Maggi noodles from shelves." Nestlé decided to destroy more than £32million (\$50million) worth of Maggi Noodles in India after they were deemed unsafe by regulators. After the food safety scare in India Maggi noodles have been tested in other parts of the world to reassure consumers that they are safe. Results from noodles tested in the UK found that levels of lead in the product are within EU levels. Shortly after the UK results were published, Canada also cleared Maggi noodles as safe.

### Questions

- a). Justify the importance of business ethics
- b). Explain the types of business ethics which is followed by Nestle in the case. **(C.O.2.) [Comprehension]**

31. The Satyam Scam was a large-scale accounting fraud of over Rs. 7,800 crores which eventually turned out to be approximately Rs. 12,320 crores fiasco. Satyam computer management misled the market and the stakeholders by manipulating the company's financial health. Material facts were misstated and went undetected for 7 to 8 years, even by PwC, its external auditors. Satyam's finances were a black box that was accessible only by Ramalinga Raju and his confidants. Its profits and assets were overstated. When this bubble burst, a lot of people were affected and lots of money was wiped out. The CBI found 112 sales deeds for purchasing lands and thousands of fake employee records.

Satyam's books were cooked by overstating its revenues, profit margins, and profits over a period of 5 years from 2003 to 2008. There were off-balance-sheet transactions involved. The books of accounts portrayed it to be a far bigger company than it actually was. They sewed up projects with fictitious clients and had fake and non-existent teams working on these projects. Over 7000 fake invoices were added to the company's computer systems to record sales that did not exist. The problem was that all of the red flags went undetected by the external auditors from PwC.

### Questions

- a). Identify the unethical Practices discussed in the case.
- b). Substantiate your points if you are a whistleblower and what type of whistle-blowing would you be followed. **(C.O.2.) [Comprehension]**