SL No of QP : 1684
Business Ethics and Governance
UPC-2922063501, Semester- V
Maximum Marks -90 , Time – 3 hrs
Note: Do any five questions

Q1. The Case of the Collapsed Mine
Consider the case of the collapsed mine shaft. In a town , miners were digging coal in a tunnel thousands of feet below the surface. Some gas buildup had been detected during the two preceding days, and the director of safety had reported it to the mine manager. The buildup was sufficiently serious to have temporarily stopped operations until it was cleared. The manager of the mine decided that the buildup was only marginally dangerous, that he had coal orders to fill, that he could not afford to close down the mine, and that he would take the chance that the gas would dissipate before it exploded. He told the director of safety not to say anything about the danger. Two days later, the gas exploded. One section of the tunnel collapsed, killing three miners and trapping eight others in a pocket. The rest managed to escape. The explosion was one of great force, and the extent of the tunnel's collapse was considerable. The cost of reaching the men in time to save their lives would amount to several million dollars. The problem facing the manager was whether the expenditure of such a large sum was worth it. He decided on the latter way and asked for volunteers. Two dozen men volunteered. After three days, the operation proved to be more difficult than anyone had anticipated. There had been two more explosions, and three of those involved in the rescue operation had already been killed. In the meantime, telephone contact had been made with the trapped men, who had been fortunate enough to find a telephone line that was still functioning. They were starving. Having previously read about a similar case, they decided that the only way for them to survive long enough for any of them to be saved was to draw lots, and kill and eat the one who drew the shortest straw. They felt it was their duty that at least some of them be found alive; otherwise, the three who had died rescuing them would have died in vain. After 20 days, seven men were finally rescued, alive; they had cannibalized their fellow miner. The director of safety, who had detected the gas before the explosion, informed the newspapers of his report. The manager was charged with criminal negligence, but before giving up his position, he fired the director of safety. The mine eventually resumed operation.

a.Did the manager act unethically in any way? Explain the reason for your answer. 9
b. If, in the case of the collapsed mine, one could guess that eight or more of those who volunteered might have been killed in trying to save the seven trapped men, would it have been ethically permissible to ask for volunteers? Why or why not? 9

Q2. a. An airplane manufacturer has spent a great deal of money developing a new airplane. The company badly needs cash because it is financially overextended. If it does not get some large orders soon, it will have to close down part of its operation. Doing that will put several thousand workers out of jobs. The result will be disastrous not only for the workers, but also for the town in which they live. The president of the company has been trying to interest the government of a foreign country in a large purchase. He learns that one of the key governmental ministers in charge of making the final decision is heavily in debt because of gambling. He quietly contacts that minister and offers him $1 million in cash if he awards the contract for five planes to his firm. The money is paid and the contract is awarded. The president argues that his action is justifiable because the business, the workers' jobs, and the town were all saved; the minister was able to pay his debts; and the foreign country received the planes it needed. The good produced, he argues, is greater than any harm done by the payment to the minister. Is he correct? Discuss. 9

2.b. There are three individuals X,Y,Z. 'X', is described as modest, courageous, nonviolent, cheerful, and passionate for justice. 'Y' is known for using violent force to protect apartheid, was also known as an honest, but inflexible and belligerent racist who could also be ruthless. 'Z', Is characterized as energetic, hotheaded, inspiring, courageous, resilient, and charismatic. Explain the concept of 'Ethics of Virtue' and 'Ethics of Care', commenting on the character traits attributed to these people.
9

Q3. a.An organization is being questioned by investigative agencies on recent online financial transactions done by finance manager employed in the company. The matter has been highlighted in the media and it has affected image of an organization. How can company control the situation? Discuss some models of ethics to support your answer. 9

b. Discuss some ethical problems that cause ethical dilemmas in case of an organizations. 9

Q4. A. Since 1985, the ABG shipyard, a firm connected to the ABG group, has been engaged in the shipbuilding and repair industry. Rishi Kamlesh Agarwal served as the organization's previous chairman and managing director, and it operates two shipyards in Gujarat. The ABG Shipyard Scam, the largest banking fraud in India of Rs 22,848 crores, involves the company. The company obtained loans from a group of 28 banks during a five-year period, from 2012 to 2017, but did not use the funds for the intended purpose. Even during the 2008 worldwide deflation brought on by the fiscal crisis, which decreased demand for and the price of goods as well as cargo, the corporation took out loans. The shipyard industry was negatively impacted by this. The State Bank of India then made the decision in 2014 to restructure the loans issued to the company under the Corporate Debt Restructuring programme. Due to the company's financial difficulties brought on by the global fiscal crisis, it was deemed a non-performing asset since it was unable to make instalment payments.

In the light of above case, explain the governance practices suggested by CII code of best practices to govern the situation. 9

b. Explain recommendations given by some corporate governance committees that can improve the situation in future. 9

Q5.a. Discuss the SEBI regulations, 2015 with reference to composition and role of board of directors. 9

b. Auditing firms are independent from the companies they audit. Companies hire independent accounting firms to handle audits. What crucial duties responsibilities they have? 9

Q6. Write short Notes any Three 18

a. Whistle blowing

b. Discrimination and Preferential Hiring

c. Ethics in Marketing

d. Rights and Privileges of Shareholders

e. OECD Principles for Corporate Governance