Sr. No. of Question Paper	:	6098
Unique Paper Code	:	2922073602
Name of the Paper	:	Corporate Ethics (DSC)
Name of the Course	:	BBA(FIA)
Semester	:	VI
Duration	:	3 Hours
Maximum Marks	:	90

Instructions for the Candidates

1. Write your Roll No. on the top immediately upon receipt of this question paper.
2. All questions carry equal marks.
3. Attempt any 5 questions.

1. A company is facing a dilemma where following environmental regulations would increase costs, making their products less competitive. Analyze how utilitarianism, deontology, and virtue ethics would guide the company's decision-making. [18]

2. Many corporate failures (e.g., Enron, Satyam) have been linked to ineffective boards. Given the presence of regulatory codes and corporate governance frameworks, why do such failures still occur? Critically evaluate the limitations of corporate governance mechanisms. [18]

3. (a) Sustainable development is not just a corporate responsibility but a business strategy. Justify this statement with reference to the Triple Bottom Line (TBL) approach. [9]
(b)Why is integrated reporting becoming an essential practice for businesses? How does it relate to sustainability reporting? [9]

4. An Indian company reports that it has spent 2% of its net profit on CSR activities, as mandated by the Companies Act, 2013. However, a detailed analysis reveals that most of its CSR spending was directed toward marketing-driven charitable events.
    a. Evaluate whether this practice aligns with the spirit of the Companies Act, 2013. [9]
    b. How can regulatory bodies ensure that companies engage in meaningful and sustainable CSR initiatives rather than using them for brand promotion? [9]

5. Case Study:
Oil and Natural Gas Corporation (ONGC) is India's largest oil and gas exploration company, operating as a public sector enterprise. Known for its significant contribution to the Indian energy sector, ONGC is expected to follow strict corporate governance standards. However, in 2015, the company faced allegations of large-scale corruption involving senior officials and external contractors. The accusations primarily revolved around the awarding of inflated contracts without following a transparent bidding process. Senior executives were accused of accepting bribes to favor specific contractors, while fake documents were used to justify excessive payments.

Furthermore, the procurement processes were manipulated to benefit private entities, leading to significant financial losses and reputational damage for the company.

The scandal came to light through the courageous actions of whistleblowers, who were internal employees of ONGC. These individuals anonymously reported the irregularities they observed in the company's tendering and procurement processes. The complaints were submitted to external regulatory bodies such as the Central Vigilance Commission (CVC), which subsequently led to a full-scale investigation by the Central Bureau of Investigation (CBI). During the investigation, CBI officials conducted raids across ONGC offices and the residences of those accused. Several senior executives and private contractors were arrested and charged under the Prevention of Corruption Act, 1988 and other relevant laws.

The consequences of the scandal were severe. ONGC's reputation suffered significantly, and public trust in the company diminished. In response, the organization implemented stricter compliance measures and revised its corporate governance policies to ensure greater transparency and accountability. Enhanced internal audits and monitoring mechanisms were also introduced to prevent the recurrence of such unethical practices. This case serves as a stark reminder of the importance of whistleblower protection and the need for robust corporate governance systems in public sector enterprises.

Questions:

a. What were the main ethical issues in the ONGC corruption case?
b. Explain the role of whistleblowers in uncovering unethical practices within ONGC.
c. How can public sector companies like ONGC strengthen their corporate governance to prevent such scandals in the future?

[18]

6. Short Notes (Write short explanatory notes on any three):

a) Virtue Ethics and its application in business
b) Ethics in Marketing and the issue of deceptive advertising
c) Corporate Citizenship and its significance beyond legal mandates
d) Ethical dilemma

[3X6]