(b) How did this scandal lead to strengthening corporate governance practices in India?

(9+9=18)

5. Yes Bank was once among the fastest-growing private banks in India. However, it collapsed in 2020 due to bad loans, governance failures, and questionable lending practices. The RBI had to step in with a rescue plan involving other banks. Depositors panicked, and shareholders lost wealth. The crisis raised serious questions about Board accountability, risk management, and transparency.

(a) In light of the above case, explain the corporate governance practices suggested by the CII Code of Best Practices that could have prevented such a situation.

(b) Discuss recommendations of any two committees that are relevant in strengthening banking governance.

(9+9=18)

6. Write short notes on any **three** :

(a) Ethics in Human Resource Management

(b) Green Marketing

(c) Rights and Privileges of Shareholders

(d) OECD Principles of Corporate Governance

(e) Sarbanes Oxley Act

(6+6+6=18)

[This question paper contains 4 printed pages.]

Your Roll No..............

Sr. No. of Question Paper : 5005 **K**

Unique Paper Code : 2922063501

Name of the Paper : Business Ethics and Governance

Name of the Course : **BMS UGCF-2022**

Semester : V

Duration : 3 Hours Maximum Marks : 90

<u>Instructions for Candidates</u>

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **5** questions and answer all parts of each question together.
3. **All** questions carry equal marks.

1. A multinational pharmaceutical company markets a new drug for lifestyle diseases through aggressive advertising, highlighting benefits while downplaying potential side effects. Doctors receive free trips and incentives for prescribing it. The drug becomes a bestseller, but soon reports of adverse effects surface. Critics allege that the company manipulated information and misled consumers for profit.

(a) What ethical issues are raised in this case? Relate to truth in advertising and consumer rights.

(b) Explain ethical guidelines for pharmaceutical marketing that balance profit with consumer safety, while addressing corporate liability for unethical practices.

(9+9=18)

2. *Narmada Bachao Manav Bachao (Save Narmada Save Humanity)* is the motto of the Narmada Bachao Andolan (NBA), led by Medha Patkar. NBA opposes the Gujarat government's mega Narmada Valley Development Project, which involves building 30 large, 135 medium, and 300 small dams.

The government claims that the project will provide drinking water to millions, irrigate over 2 million hectares of land, benefit 20 million people, and generate 3500 MW hydroelectric power. However, critics argue that the cost-benefit analysis is exaggerated, displacement of local communities is unjust, human rights are being violated, and the ecological damage to biodiversity is immense.

The conflict reached the Supreme Court, which approved the project, ruling that benefits outweighed disadvantages in a ratio of 100:1. In contrast, the NBA promotes alternative, sustainable approaches to water and energy management, citing environmental ethics and social justice.

(a) Is the judgment of the Supreme Court ethically justified? Apply relevant ethical theories.

(b) Does NBA's opposition align with or contradict the principle of national interest? Analyses the Gujarat government position regarding environmental ethics in the context of Narmada Valley Development Project. (9+9=18)

3. (a) You are working as the manager in an electronics manufacturing company for last few years. One day you noticed that the financial manager is window dressing the financial statements and is tampering the books of accounts. As a loyal employee, you want to disclose this foul playing to the seniors. But you realized that even your superiors are involved in this filthy playing. What should you do in such a scenario? Discuss the spirit of whistleblowing along with the different kinds of whistleblowing.

(b) Describe how board composition and quality contribute to better corporate governance. Is it a good idea to appoint a retiring CEO as Chairman? "Should the post of CEO and Chairman be combined in one"? Comment. (9+9=18)

4. In 2009, Satyam Computers, one of India's largest IT companies, collapsed after its Chairman, Ramalinga Raju, confessed to falsifying accounts by over ₹7,000 crore. The scandal exposed weak auditing practices, failure of independent directors, and poor regulatory oversight. The case shook global confidence in India's corporate governance framework and led to major reforms, including the tightening of SEBI regulations and the emergence of new norms for independent directors.

(a) Identify the key corporate governance failures in the Satyam case. What role should auditors and independent directors must play in preventing such a scandal?